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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF JANUARY, 1978

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of January 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend and Gene Stancil, Western Addition Project Area Committee (WAPAC); Teall Henderson, Ken Davis, Ted Frazier, Teresa Jean, Harrita Burroughs, Willie Kelley, Gerry Grace, Leland Meyerzove, and Maria Palermo, San Francisco Coalition; Roslyn Baltimore, Maria Galatti, Dorice Murphy, Charles Chalatti, Angelo Vannucci, Judge Leland Lazarus, Joseph Koontz, Albert Lanier, and Reverend Carl Smith, Vida Foundation; Betty Anne Lipow, Bertha Fudgen, and Thomas Meeks, Diamond Heights Community Association; Laverna Canatela, Friends of Noe Valley; Abe Papkoff, Commission on the Aging; Sister Mary Sanford, representing the Gray Panthers; Martin Greenlough, San Francisco Recreation and Park Department; Victoria Sema and Faamaile Amituanai, San Francisco Samoans; Dick Pabrille, representing Supervisor Harvey Milk; Linell Handrese, Human Rights Commission; Lane Duong, Vietnamese Youth Center; Duane Nelson and Nevonne Charles, San Francisco Retirement System; and John M. Pudoff, D. Miranda, Donn Winn, James Vann, and Rita George, interested citizens.

Representing the press were Don Canter, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Lee and unanimously carried that the minutes of a Regular Meeting of December 20, 1977, as distributed by mail to the Commissioners, be approved.

President Wexler welcomed Ms. Charlotte Berk to the Commission and commented on her many years of outstanding public service to San Francisco. He also stressed his belief that her service would enrich the Commission.


REPORT OF THE PRESIDENT

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President Wexler indicated the Agency's By-laws permit at this time a report from the President. He reported that the new Commission had now completed its first full year and arrived at the point where it is entirely composed of appointees of Mayor George Moscone and it was appropriate to review its activities of the past year. He indicated that during 1977 the Commission had dedicated itself to making the redevelopment process address itself to the human and social needs of San Francisco and had provided all interested groups and individuals full opportunity to present their views on every issue coming before the Commissioners. He believed the time taken was well spent because in his opinion everyone would know a full and fair opportunity would be provided for presenting their views for the Commission's consideration. He indicated that great weight had been given to counsel received from the project area committees, such as the Western Addition Project Area Committee (WAPAC) and the Bayview-Hunters Point Joint Housing Committee.

President Wexler indicated he had personally received communications from those who believed they had been afforded a hearing and had been treated fairly, even though the Commission's decision had not been in their favor. He believed the actions of the Commission had been harmonious with the views of most concerned citizens of the city. Another indication of the Commission's social concern was reflected in the policy of carefully scrutinizing all proposed demolitions to ascertain that wherever feasible such demolition should be delayed until it was determined that something better would replace the structures removed. Again, President Wexler stressed that in 1978 the Commission would continue to work openly and fairly with all interested groups of individuals and City officials for the benefit of the entire city. He indicated that the ultimate success or failure of the Agency depended upon the daily staff work of over 200 persons, the most important position being that of Executive Director, for which a nationwide search had been undertaken to find the best person to fill this position. He noted that more than 175 applications from all over the country had been received but after observing the Acting Director Wilbur W. Hamilton at work, it was unanimously concluded that he was the person best available to lead the Agency and who fully shared the new philosophy of the Commissioners.

President Wexler indicated that under Mr. Hamilton's leadership many important changes, additions, and promotions had occurred among key Agency personnel, for example, Messrs. Redmond Kernan and Earl Mills who had been promoted to the second highest level in the Agency. He noted that Mr. Tom Conrad had been hired as the new Chief of Planning to undertake the survey and planning work for the northeastern waterfront, and also that Mr. Leo E. Borregard had joined the staff as the Agency General Counsel to provide new life and direction. In Hunters Point, Mr. James Wilson became Area Director after acting as head of the Central Relocation Office during the International Hotel crisis. Also, Mr. Lewis Arnold has joined the staff as Director of Development to strengthen the Agency's developmental capacities and marketing of land in the coming year. He also acknowledged the service of Mesdames Jane Hale and Helen Sause in their respective positions as Assistant Executive Director for Finance and Administration and as Assistant to the Executive Director and Agency Secretary. Although only nine individuals had been mentioned above, President Wexler expressed the belief that the remaining staff of the Agency was the finest of any city



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REPORT OF THE PRESIDENT (continued)

agency or department, partly because of its emphasis in the placement of women and minorities at all levels.

President Wexler reported that methods and procedures would continue to be reviewed and evaluated in an effort to find better ways to accomplish goals. He indicated that the Agency's program was enormous encompassing Hunters Point, India Basin, Golden Gateway, Yerba Buena Center, Western Addition A-1 and A-2, Diamond Heights, Stockton/Sacramento and Bayview North, and the planning areas of the Northeastern Waterfront and Chinatown II. In 1977 in Hunters Point, construction of 301 units of new housing began, and in India Basin the finest urban industrial park was marketed. Almost 70 percent of the land was committed for development by the end of 1977. He indicated that in 1978 major construction in India Basin would provide both temporary and permanent employment opportunities for community residents.

President Wexler indicated that in the 1960's Mayor Moscone was one of two supervisors who voted against Yerba Buena Center which is today the Agency's most important and most difficult project. Now that it is under way, however, Mayor Moscone and the Commissioners are totally committed to seeing that a quality development is realized and are working closely with City officials, private developers, and community representatives to ensure that Yerba Buena Center will be developed to meet the needs and wishes of San Francisco. To aid in this, top design, economic, environmental, and legal experts have been employed to assist the Agency. As examples of progress in Yerba Buena Center during 1977, the new American Telephone & Telegraph Company's headquarters building was opened, the Mercantile Building agreements for sale and rehabilitation were executed, and also agreements for two housing developments which are slated to begin construction early in 1978.

In Western Addition Area A-2 economic analysis and community input were undertaken in connection with the Fillmore Center to move that development toward success. In addition, a number of new developments and rehabilitation efforts were undertaken. Also, three new redevelopment survey areas were established by the Board of Supervisors, including Chinatown II, an expansion of Bayview North, and the Northeastern Waterfront areas. A copy of President Wexler's report is attached in full to these minutes.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) He expressed the staff's enthusiasm supporting the policies of the Commission and as Executive Director, Mr. Hamilton indicated he took great pride in the Agency's staff and in the quality of their work.
- (b) Mr. Hamilton welcomed the new Commissioner, Charlotte Berk, and commented on the knowledge and expertise he believed that she brought to the Commission. He also noted the Agency's appreciation of former Commissioner Walter F. Kaplan's services to the Agency over the past twenty years and indicated staff was grateful for that relationship.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) In connection with the appointment of Supervisor Dianne Feinstein as President of the Board of Supervisors, Mr. Hamilton indicated his belief that the Agency would be able to work constructively with her and stressed his appreciation for Mrs. Feinstein's supportive position on the Agency's programs. It is hoped this relationship will not change.

NEW BUSINESS

- (a) Consideration of possible development alternatives for Parcel J-1, Diamond Heights Approved Redevelopment Project Area D-1.

Mr. Hamilton indicated that this item concerned consideration of the use of the last residential parcel in Diamond Heights, on which the Agency had withheld offering at the request of the Diamond Heights Community Association last June to permit it time to secure the funds to buy the parcel for open space. The Association has been unsuccessful in obtaining the \$36,000 purchase price of the parcel but has continued to reaffirm its desire to maintain the area as open space through a membership poll in December. Of 2,850 ballots sent out for the poll, 200 responded, and 81 percent favored open space use for the parcel. He noted that the Agency has now received a proposal from Vida Foundation for development of 20 units of low-to-moderate income housing for the elderly and handicapped. This would require a plan change to permit such use which he believed should be subject to the availability of subsidies to Vida Foundation, and to the economic feasibility of the project as proposed.

Mr. Hamilton indicated that Vida Foundation was a nonprofit corporation consisting of San Francisco residents, including an attorney, certified public accountant, senior title officer, architects, builders, developers, social workers, members of the clergy, doctors, a financial consultant, a business consultant, and politically prominent individuals, as well as involved community people. Mr. Hamilton indicated that its President, Mrs. Maria Galatti, was present and wished to speak.

Mrs. Maria Galatti came forward and indicated that she was Co-President of the Friends of Noe Valley, Chairperson for the Friends of Tivoli Park in the Yerba Buena Center, and also President of Vida Foundation. She indicated that community people had been concerned with the need for low-to-moderate income housing for the elderly and handicapped in the City and had formed Vida Foundation to advocate, build, and promote such housing for both physically and economically disabled persons. She noted that she had obtained over 600 signatures on petitions from people residing in District 5 who supported housing for the elderly and handicapped. Mrs. Galatti indicated that the plans as designed by the architects will be esthetically acceptable and will enhance the community and as far as she knew this would be the first such development in the Bay Area, for which the residents will own and be responsible for the development's maintenance and management. She indicated that there were more than 10,000 disabled persons who needed housing as well as more than 25,000 elderly poor and the San Francisco Housing Authority has more than 5,500 applications for this type of housing which is not and will not be available through the Housing Authority. It was her belief that the J-1 parcel in Diamond Heights was suitable for this development which would serve people who had special needs for housing with ramps, elevators, handrails and modified baths and kitchens.

NEW BUSINESS (continued)

Mrs. Galatti quoted remarks she attributed to Agency General Counsel Leo E. Borregard in his appearance before the Board of Permit Appeals on October 26, 1977. She indicated that he had stated that the programs to provide low- and moderate-income housing for the elderly, disabled and handicapped such as the Section 8 Rental Assistance Program did not exist when the Redevelopment Plan for Diamond Heights was originally adopted. She indicated that he had stated that had such programs been available their use would have been included in the Redevelopment Plan. It was her opinion that this was the last opportunity to develop such housing in Diamond Heights and that this parcel, which is within one block of the Diamond Heights shopping center, suits the needs of the elderly and handicapped. She noted that the center included a post office, bank, drug store, supermarket, health food and ice cream stores, restaurant, electronics store, veterinarian, and doctor's office. Nearby is the Christopher Recreation Center, the St. Nicholas Greek Orthodox Church, a health center, and the fire station. The site also has a fine panoramic view of the city for those who by nature of their disability must remain at home. She also noted the availability of public transportation. Mrs. Galatti indicated that the parcel had always been intended for residential use and noted that its present use was for construction of six multiresidential market-rate units.

In summary, Mrs. Galatti requested that the Commissioners consider approving an amendment to the Diamond Heights Redevelopment Plan to redesignate Parcel J-1 from multiresidential market-rate housing for low- and moderate-income persons who are elderly, disabled, and handicapped. She also requested that the Vida Foundation be designated as the redeveloper of Parcel J-1. Mrs. Galatti indicated that the presentation would continue with Mr. Joseph Koontz, representing the Independent Living - Disabled - Elderly Co-op, and who is a Vida board member and housing specialist for the disabled; Mr. Albert Lanier, architect and Vida Foundation member; and Ms. Roslyn Baltimore, housing consultant. Mr. Joseph Koontz came forward and indicated that he wished to speak about the viability of this parcel in terms of a housing proposal for the disabled and elderly people of the city. He indicated his job was to provide survival type services to these physically handicapped people which included providing housing referrals. He noted that these people receive Social Security and that the City and County of San Francisco also provides money to help them to be self sufficient. He stressed that the primary problem was insufficient housing in the city suitable for their needs. He noted that the Section 8 subsidy programs were impractical for them and has now been closed down and he believed that the disabled were left out of the housing market. He indicated there were no ideal locations available for the disabled, but Parcel J-1 had the advantage of being close to a shopping center and transportation. He noted that he had gone to the site and tested his ability to travel by wheelchair to the shopping center. He believed that the topography would not inhibit use of the site by the handicapped. He urged that the Commissioners approve the proposal for 20 units of housing because of the extreme need, and also because the development would be unique and serve as a demonstration for this type of housing throughout the country.

NEW BUSINESS (continued)

Mr. Albert Lanier of Lanier and Sherrill, architects, came forward and used illustrative drawings to indicate the siting of 20 units on the parcel which is 13,425 square feet of land or about one-third acre. The plans illustrated eleven one-bedroom units and nine studios placed in such a way to facilitate movement for the handicapped. He pointed out that the site dropped 45 feet from Diamond Heights Boulevard to the rear of the property and was adjacent to a seven-acre park. The development would cover 35 percent of the lot which is less than the 55 percent limit imposed by the City Codes. The exterior would be wood and the entrance would be on the third level, with elevators to service the four level structure. He explained the details of the various levels and the park-like setting which primarily affords views to the north and east.

Ms. Roslyn Baltimore, housing consultant, came forward and indicated her belief that the project was economically feasible and that studies had been completed showing that the project could be built and meet all criteria for such housing. She believed that the housing can be subsidized so that people could afford to live in the units and that she had contacted lenders in preliminary discussions but as yet there is no firm commitment.

Mr. Abe Papkoff, representing the Commission on the Aging, came forward and indicated that the Commission endorsed the concept of the housing on that parcel and that there had been difficulty in locating housing for the disabled and elderly. He indicated that such housing would not be built unless special efforts were made to set aside certain parcels and urged that such housing be included in the Master Plan. It was his opinion that all areas of the city should be open for such housing and he expressed concern that this segment of the population had long been ignored and segregated. He believed it was difficult for senior citizens to live a normal life in the city unless developments such as that proposed by Vida Foundation are encouraged to proceed.

Sister Mary Sanford, representing the Gray Panthers, came forward and indicated that her organization supported the efforts of Vida Foundation. She commented she was impressed with the standards of the Agency but continued to look for even better things than in the past. She noted that these latter views were her personal opinion and not that of the Gray Panthers.

Ms. Shelley inquired if only the top units would be served by elevators and she also inquired if the slope was navigatable for an elderly individual or handicapped person. Mrs. Galatti indicated that the elevator goes to every level so there was an entry to every floor without any need to climb stairs. Ms. Shelley inquired about the effect the buildings would have on the entrance to the Diamond Heights playground since it appeared entry was through this lot, and Mrs. Galatti responded that there was a 100-foot wide entrance through a cul-de-sac and noted that the apparent lack of access to the park was the result of an error on the

NEW BUSINESS (continued)

map. She commented that she had brought this error to Mr. Redmond Kernan's attention and pointed out where the earlier map was in error and did not show the 100-foot distance on it. Mr. Quintin McMahon, Director of Real Estate, Marketing and Business Development, responded that this would be verified. Ms. Shelley asked how the rents would be kept within the reach of the elderly and handicapped, and Mrs. Galatti responded that the Section 8 subsidy program would be used for this purpose.

Mr. Lee questioned Mr. Lanier regarding the use of special ramps for the handicapped and Mr. Lanier responded that there was access from the street by ramps as well as by stairs and the handicapped may use the elevator to all levels after entering at the street level on the third floor. In response to Mr. Lee's inquiry, Mr. Lanier replied that about 75 percent of the units would be for the disabled. Mr. Lee asked about the estimated construction costs, and Mr. Lanier replied that they were estimated at \$40 per square foot. He did not have the projected rentals at this time but he believed the Department of Housing and Urban Development (HUD) would set these and they would be as high as \$360 for one bedroom in an elevator building and \$290 to \$300 for a studio. Mrs. Galatti indicated that the tenant pays only one-quarter of his income for rent and that a person with income of \$400 per month would pay \$100.

Mr. Glickman inquired if sponsorship would be turned over to the residents so that these people would not be tenants or renters, and Mrs. Galatti responded that they would be resident-owners under the same program. President Wexler inquired how tenants would be selected considering the large number of handicapped and elderly there were and the small number of units. Mrs. Galatti responded that anyone who wished to reside there would have to be prepared to assume the responsibilities that would result from such residency and final selection would be made by Mr. Koontz. Ms. Baltimore indicated that the rent for one-bedroom units would be \$437 and the studios \$332. Mr. Koontz indicated that selection procedures have not been completed but he had on file over 150 clients who had requested such housing units. President Wexler asked how these 150 people would be screened, and Mr. Koontz indicated that all would be offered an opportunity to live in the development. Ms. Baltimore indicated there would be a formal selection criteria established.

Dr. Williams indicated that the city had a large minority population who were least capable of bearing the cost of such rentals and he believed there should be some assurances that the minorities will be protected from being barred in participating in this housing. Mr. Koontz indicated that elderly and handicapped individuals were also minorities and that the problem of finding suitably equipped housing went beyond the economic issue. He indicated Section 8 subsidies would help the problem of poverty. Mr. Baltimore indicated that there would be an affirmative action program so that there would be an ethnic balance in housing. Mrs. Galatti indicated the Vida Foundation had already signed a statement to this effect.

NEW BUSINESS (continued)

Mr. Glickman indicated an interest in Mr. Koontz' background and experience in the housing field, and Mr. Koontz noted that he had worked for five years with the Independent Living-Disabled-Elderly Co-op nonprofit organization and had also worked with builders and architects and had some architectural background. He indicated his architectural and design training had come from the architectural advocates network of the Department of Rehabilitation. He also indicated he was a member of the Mayor's Committee on Community Development and had worked with the San Francisco Housing Authority. He noted that he had participated as an unpaid consultant on this project and believed it was the first concrete proposal to provide units for people with special housing needs.

President Wexler thanked Mr. Koontz for his comments and asked if there was a representative present from the Diamond Heights Neighborhood Association. Mr. Thomas Meeks, President of the Diamond Heights Neighborhood Association, came forward and indicated that he wished to present a status report on efforts to preserve Parcel J-1 as an open space. He indicated that Vida's proposal was impressive and that the Association is in a difficult position of pursuing an objective that conflicts with a valid social objective which it also endorses. He noted that there was another point of view which he believed the Commissioners should be informed of, and that was the results of a poll conducted by mail of the Association's 2,850 membership which reflected that 81 percent of the 200 responses received were in favor of preserving Parcel J-1 for open space, 5 percent were in favor of using it to develop six multiresidential units, and 14 percent were in favor of the 20 low-to-moderate income housing units for the elderly, disabled, and handicapped persons. He reported that the Association's position continued to be that of urging the preservation of Parcel J-1 for open space which would be added to Douglas Playground. He indicated that an attempt was made to secure acquisition funds for the parcel from the Open Space Acquisition and Park Renovation Fund but the Recreation and Park Commission did not include the parcel in its 1978-79 budget.

Mrs. Bertha Fudgen came forward and indicated her belief that the steep topography of the site and the busy traffic made the parcel unsuitable for housing the elderly and the handicapped and that other areas were more appropriate and available. She believed the crown of the hill should be preserved so everyone could enjoy the view. She commented that there was great need for this type of housing in San Francisco but she did not believe that 20 units would help the market and that the steep topography of this site was unsuitable. She reiterated that she did not oppose such housing but believed that the site should be used for its highest and best purpose. She also objected to the proposal on the basis that it would create too much density for such a small parcel. It would also exacerbate the parking problem and that there was already low to moderate income housing in Diamond Heights and it did nothing to raise the value of adjacent properties. She alleged that Vida Foundation did not obtain the signatures on its petition from residents of the Diamond Heights area and urged that people living

NEW BUSINESS (continued)

outside the area should not be allowed to make a decision on what should be built there. If the site were maintained as an open space it would enhance the community. She indicated again that the residents were not against such housing but believed Parcel J-1 was not the place for it.

Ms. Betty Ann Lipow, Vice President of the Social Services Coordination Program for Senior Citizens, came forward and indicated that she worked with senior citizens and the handicapped to locate housing for them but in her opinion the site was too steep and they needed a place to live where they could walk to do their shopping and where the traffic was light. Diamond Heights was too hilly for them and they would have to cross the heavily traveled Diamonds Heights Boulevard to get to the shopping center to buy their groceries. She was concerned about accidents occurring because of fast traffic and she also indicated that it was windy in the area and the bus service was not reliable. She requested that the site be left for open space.

Mr. Meeks asked that the Agency defer marketing of the site until January 1979 so that the Association could pursue funding acquisition of the parcel for preservation as open space. Mr. Glickman asked how many members the Association had, and Mr. Meeks replied its general membership was 300 and that there were 9,000 residents in the area. Mr. Glickman commented that he did not believe 200 responses was a representative sampling compared to the 2,847 ballots mailed out and the large number of people who live in Diamond Heights. Mr. Meeks indicated that the polling had taken place at a difficult time because of the Christmas rush, but stressed that of the 200, 81 percent of the responses were in favor of open space, and that he had received additional petitions with more names on it. President Wexler responded that the Commissioners had received the petition and asked how many of these people lived in Diamond Heights. Mr. Meeks replied that there were 149 from Diamond Heights, 59 from Glen Park, 29 from Noe Valley, 13 from Twin Peaks, and 74 from the rest of San Francisco.

Mr. Lee inquired of Mr. Koontz how he had determined that a disabled person would travel from Parcel J-1 to the shopping area and downhill, and Mr. Koontz responded that he had gone in his wheelchair but had to travel part of the way in the street and then cross Diamond Heights Boulevard. He indicated there were no curb ramps and although it was not the best of locations, there was no alternate one and if the proposal was delayed while the ideal location was sought there would be no housing built.

Mr. John M. Pudoff came forward and indicated that he was a developer and would like to see the site offered to the public. He would like the opportunity of developing a four-unit complex of townhouses or single family dwellings. There would be driveway access off Diamond Heights Boulevard and parking for the units would be on lower ground. He expressed concern about how there could be sufficient parking for

NEW BUSINESS (continued)

20 units as proposed by the Vida Foundation. He claimed that residents of Diamond Heights do not seem to care about open space.

Mr. Hamilton indicated that the Diamond Heights Neighborhood Association had requested that marketing of the parcel be deferred for one year but in his opinion this would not make sense to build later if the proposed project is not feasible. He recommended giving the Vida Foundation an opportunity and sufficient time to resolve the economic feasibility issue and pursue securing commitment of Section 8 subsidies by designating Vida as a potential redeveloper. The issue of feasibility and the Section 8 commitment need to be resolved before the Agency initiates a plan change. It was Mr. Hamilton's recommendation that (1) no plan change be initiated until evidence of economic feasibility was presented for the use proposed by the Vida Foundation, and (2) that some report of a Section 8 commitment should be presented to the Commissioners before any plan change is initiated.

Mr. Glickman asked Mrs. Galatti for her opinion of these recommendations, and she indicated her understanding that conclusive evidence of financial feasibility and ability was necessary before any plan change could be considered. President Wexler suggested that Vida Foundation have exclusive rights for six months and she indicated that Vida could obtain a commitment within a week. Mr. Hamilton indicated that six months was unnecessary but Ms. Baltimore asked if this was to be a preliminary or firm commitment that the developer needed to secure, because it would require more time to obtain a firm commitment, which would have to see the working drawings and she believed evidence of site control would also be required. Mr. Glickman responded that the developer designation should satisfy financial institutions requirements and evidence of the plan change would not be necessary at that stage. Mr. Glickman explained that lending institutions would not lend until there was a plan change, but this did not affect Vida's ability to ascertain feasibility of the project. Ms. Baltimore responded that it would then be easy to obtain a preliminary commitment.

Dr. Williams indicated that personally he had gone through the process in question and noted that lenders had accepted his preliminary designation and that the Agency had assisted him by giving him the necessary extensions provided he demonstrated that he had made progress toward achieving his goal. He indicated that there were no perfect sites available and he did not believe the able bodied should tell handicapped people what they should have.

MOTION: It was moved by Dr. Williams and seconded by Ms. Blomquist that Vida Foundation be designated as developer of Parcel J-1 in Diamond Heights and be granted exclusive negotiating rights for a six-months' period of time for obtaining evidence of financial feasibility of the project and financial capability in the form of a commitment, prerequisite to the Agency's initiation of any plan change.

NEW BUSINESS (continued)

Ms. Shelley inquired about the refusal of the Recreation and Park Department to designate this land as open space and to acquire it for the City, and Mr. Hamilton responded that it was a matter of priorities since there were other open space sites in the neighborhood and this was of low priority on that department's budget.

Mr. Martin Greenlough, representing the San Francisco City and County Recreation and Park Department, came forward and indicated that the Diamond Heights Neighborhood Association's representatives had appeared at meetings last year regarding the parcel and it was determined that since the property was owned by the Agency, the Recreation and Park Open Space Committee voted to permit the Agency to use the land as it wished. The parcel would again be reviewed in the 1979-80 budget for purposes of open space but there were other more urgent priorities. President Wexler inquired if the Agency wished to use the land for open space then could it be funded in that fiscal year, and Mr. Greenlough responded that there was no definite commitment but indicated that it could be considered for review in 1978. President Wexler indicated that the decision was not easy but he was pleased that two separate citizen groups had worthwhile plans for the use of the parcel; however, since open space already exists in Diamond Heights and there is a critical need for housing for the elderly and handicapped, he suggested that this need be met.

MOTION: It was moved by Dr. Williams and seconded by Ms. Blomquist that the Vida Foundation be given exclusive negotiating rights for a six-months' period to permit time to present evidence of the project's economic feasibility and to submit evidence of a firm commitment, subject to amendment of the Redevelopment Plan by the Agency and the Board of Supervisors to permit this use, and on roll call the following voted "Aye":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Ms. Shelley
Dr. Williams
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion passed.

Mrs. Galatti thanked the Commissioners and also the Agency staff for its assistance.

NEW BUSINESS (continued)

- (b) Resolution No. 4-78 authorizing the Executive Director to enter into a rental agreement with the San Francisco Coalition for utilization of cleared land in Block 3723, Lots 108 and 109, Yerba Buena Center Approved Redevelopment Project Area D-1.

This item concerns authorization of a rental agreement with the San Francisco Coalition for use of a 25,600 square-foot parcel to be used on an interim basis for a parking lot on Mission between Third and Fourth Streets. The Coalition will utilize the lot as part of a training program with the Metropolitan Parking Corporation for parking lot attendants. None of the other parking firms nor any of the unions have opposed the program.

Mr. Hamilton indicated that there had been some question concerning utilization of revenues which would inure to the Coalition as a result of parking lot operation, but Mr. Hamilton indicated that the memorandum of agreement had been modified with changes incorporated so that fiscal controls would prevent any windfall profits. The fund disbursement would also be monitored by the Agency. Ms. Blomquist noted that it was proposed to pay a consultant's fee to the Metropolitan Parking Corporation and asked what the term "consultant" meant in this case, since fees would amount to 30 percent. Mr. Earl Mills, Deputy Executive Director for Community Services, responded that the fees are considered as operating expenses and these consist of permit fees and other items to be paid to persons employed in the operation of the parking facility or in the training end of the program. He indicated that the Metropolitan Parking Corporation would receive only the 30 percent specified under the agreement and Mr. Hamilton indicated that he concurred. Agency General Counsel Leo E. Borregard indicated concerns about the contract between the two parties was the relationship of the 30 percent of net profit referred to in the agreement which states that the Metropolitan is to be compensated for its services. It was his belief that language should be inserted which would not leave 30 percent open-ended. He believed that 30 percent net profits were reasonable value for the services provided but did not believe the profits should exceed 30 percent. Mr. Glickman indicated such controls should be included in the agreement and Mr. Borregard noted that this was his recommendation. President Wexler inquired about the controls on the 50 percent allocation to the Coalition, and Mr. Borregard indicated that Agency should approve any withdrawals from this account. Mr. Mills indicated that he had discussed the issue of allocations with Metropolitan and it had indicated willingness to pursue this training program regardless of the amount of compensation it was to receive.

Ms. Blomquist inquired about the basis for the \$85 rental rate set by staff which would be increased from 5 to 10 percent of income for the 25,600 square feet parcel which another tenant was paying \$1,000 for an 16,000 square feet lot. Mr. Mills responded that the rental fee staff recommended took into consideration that there would be higher profits from parking lots which were operated by one or two people and that under the Coalition proposal this lot would be operated by at least five trainees. The trainees would be learning how to handle administrative work and the only way to absorb costs of their training was to reduce the rent. The staff recommended the 5 percent fee while the lot was being established and a higher rental of 10 percent after

NEW BUSINESS (continued)

three months' time. Ms. Blomquist indicated that the agreement referred to two men and Mr. Mills responded that there would be two men working during each six hours shift per day and the lot would be open twelve hours a day.

President Wexler indicated that in May, 1976, a letter had been submitted to the Agency by Mr. Ben James of the Metropolitan Parking Corporation regarding the matter of putting the lot out to bid at that time which stated that Metropolitan employs 180 persons of which 60 percent are minorities, and in response to his inquiry, Mr. Ted Frazier of the San Francisco Coalition indicated that this was correct. President Wexler asked Mr. Frazier's view of why there was a further need for affirmative action in the parking lot industry, and Mr. Frazier responded that it was his view that there was no program through the union or other source providing training for people in parking lot management work. He indicated that Metropolitan had a good record on employing minorities but there were no minorities involved in the management levels of the field therefore, no entrepreneurial opportunities in the business for minorities. This program would attempt to rectify this lack. In response to President Wexler's inquiry, Mr. Frazier indicated the many minorities in the parking industry were employed at very low level positions and that the turnover was high. President Wexler asked then if the program would involve both parking lot operation and management training and Mr. Frazier responded it would include both and when the trainees were ready they would be upgraded and placed in permanent jobs.

Ms. Blomquist inquired how this number of employees could be trained in management, and Mr. Frazier responded that they were being trained on the lot as parking attendants and Metropolitan personnel would be in all aspects of parking lot management. President Wexler indicated that in 1975 this lot produced \$4,000 in revenue and the rental was \$2,000 monthly and observed that now it appeared that a higher income is anticipated and the difference in rent will go to pay for people to be trained with the balance going to the Coalition. He inquired about the controls to be exercised over the funds to the Coalition and inquired about the addition or deletion of people in the program and what amount of profit would result each month since four to five people were not needed to operate a parking lot. He inquired if there was any assurance in the agreement whereby if the amount of profits rise the excess would be paid to the Agency in the form of increased rent since the expenses are already included for payment for training. Mr. Frazier responded that these figures were only projections to get the program started and the Coalition would monitor the revenues. He noted there was no way to know at this time what the figures would actually be, so there would necessarily be readjustments. President Wexler asked if Mr. Frazier could select a figure over which the additional revenues would flow as rent, and Mr. Frazier responded that he could not because there were too many unknown factors. President Wexler suggested determining the maximum before entering into a contract or including a provision to increase the rent if necessary.

President Wexler indicated that he believed that because of the favorable rental rate there needed to be something to limit the amount the Coalition

NEW BUSINESS (continued)

receives and the contract should not be open-ended. Mr. Mills responded that the Agency will be the counter-signer for the cash flow and the Agency would be able to evaluate and monitor the income and distribution. Ms. Blomquist indicated that she wished to review a complete contract with these issues worked out otherwise she did not believe she could vote on the matter. She again noted that the contract should have a ceiling.

Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC) came forward and expressed his belief that even though there were 60 percent minorities in the parking industry he believed they should be given additional opportunities and he indicated that he saw no reason for a problem with the program but if President Wexler was concerned about profit he suggested that the contract include a provision for reassessment within 90 days so that a realistic figure could then be established for the rent.

Mr. Lee Meyerzove of the San Francisco Coalition came forward and indicated that he believed the arrangement should be a 50-50 proposition. He questioned the Agency's charging the Coalition more rent if there was a profit and expressed his belief that the Agency had set the Coalition up in business and should not consider charging it more rent. He noted that the Coalition was a nonprofit organization. He indicated that the Coalition hires the unemployed or underemployed and suggested that the Agency should end its rent-free agreements with various organizations and begin to charge market-rate rent since the Agency also lost revenue from that source. He questioned the appropriateness of the Agency's consideration of profit-making from community groups. He indicated that the Coalition was charging less for use of the lot because it was training people, and he also noted that the taxes on parking lots had gone up. He alleged that the present Commissioners were more conservative than any board under former Mayor Joseph Alioto could ever have been and were not as liberal as they purported. He believed it was attacking the concept of affording poor people the opportunity to aid themselves. Mr. Meyerzove indicated that he believed the accomplishments as claimed by President Wexler in his report had nothing to do with this Commission since each had opposed Yerba Buena Center and the sports arena, while the Coalition fought to save that project. He alleged that the real liberals held out for the sports arena.

Ms. Blomquist indicated that she would like to see the full contract between the Metropolitan Parking and the Coalition and suggested that the item be held over one week.

MOTION: It was moved by Ms. Blomquist that the agreement between Metropolitan Parking Corporation and the San Francisco Coalition for rental of a parking lot in Yerba Buena Center be held over for one week. The motion died for lack of a second.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Lee that the agreement between Metropolitan Parking Corporation and San Francisco Coalition could be modified to incorporate the recommendations of the Agency's General Counsel.

NEW BUSINESS (continued)

Mr. Borregard indicated there were some technical modifications which should be included and these had been discussed with Mr. Mills. Mr. Hamilton indicated this concerned limiting the percentage to Metropolitan in receipt of a "reasonable value" for services not to exceed 20 percent, and President Wexler indicated his support of the concept of the affirmative action program in the area.

Ms. Berk indicated that she had not yet had an opportunity to become fully informed and therefore she would abstain from voting. Dr. Williams also indicated he would abstain for lack of information.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Lee that the contract between the Metropolitan Parking Corporation and the San Francisco Coalition be modified to include the recommendations of the Agency's General Counsel and that the resolution be adopted, and on roll call the following voted "Aye":

Mr. Glickman
Mr. Lee

and the following voted "Nay":

Ms. Shelley
Ms. Blomquist
Mr. Wexler

and the following abstained:

Ms. Berk
Dr. Williams

The President thereupon declared that the motion failed.

Dr. Williams indicated he would have been pleased to have supported the program had it been presented properly. President Wexler suggested that both parties work further with staff concerning the issues raised. Mr. Frazier inquired about the concerns of the Commissioners and President Wexler indicated that these had been enumerated during the meeting. Mr. Meyerzove deplored the failure of the motion as legal and technical dodges and suggested that the Commissioners rent the parking lot to another entity at a higher price.

Ms. Shelley indicated she had been prepared to support the proposal to hold the item over for one week to resolve outstanding issues that seemed to be resolvable until Mr. Meyerzove had made comments in an unacceptable manner. She indicated her mind was not closed but she would not consider matters that were presented as they had been by Mr. Meyerzove. Mr. Frazier indicated that he was introduced as the spokesperson for the Coalition and that there were many types of people in the organization and he could not attempt to control the emotions of these people. He hoped that something

NEW BUSINESS (continued)

could be worked out to save the program, and Mr. Glickman concurred but suggested that the Coalition meet with staff and work to resolve the issues raised by the Commissioners. Mr. Frazier indicated that one week would not affect the program adversely and stressed his belief that there were many frustrated people expecting some action.

At this point President Wexler turned the Chair over to Vice President Shelley and left the meeting at 6:40 p.m.

- (c) Resolution No. 3-78 authorizing the Executive Director to execute a deed for conveyance of a strip of land to the record owner or purchasers of Lot 9, Assessor's Block 1098, Western Addition Approved Redevelopment Project Area A-1.

This represents conveyance of a 0.07 x 30-foot strip of land in Western Addition A-1 consisting of 5.60 square feet to either Wells Fargo Bank as trustee for the deceased owner, or to Mr. and Mrs. Thomas F. Hayes, who are purchasing the entire parcel located on the northwesterly corner of O'Farrell and Divisadero Streets. This item is a transaction necessary to clear title and there is no consideration and no cost to the Agency.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 2-78 amending Resolution No. 269-77 authorizing the Executive Director to enter into a legal services contract in connection with Western Addition Approved Redevelopment Project Area A-2.

This concerns a contract for legal services in the case of Gage vs. the San Francisco Redevelopment Agency. This is a substitute contract for one previously authorized on December 27, 1977 with Pettit, Evers, & Martin but since that firm was disqualified by the Courts on December 28, 1977, it is recommended that the firm of Dinkelspiel, Pelavin, Steefel & Levitt handle the case for a maximum contract amount of \$50,000.

Mr. Townsend indicated that he supported the change and realized that the Agency always sought the best possible legal aid but he requested that in the future some consideration be given to minority legal firms for the Agency's legal services. Both Ms. Blomquist and Dr. Williams encouraged the staff to pursue this approach. Mr. Borregard indicated that the firm was chosen because of timing and its training capabilities. Mr. Hamilton indicated Mr. Townsend's point was well taken and Mr. Glickman asked that if possible minority firms should be apprised of this kind of opportunity.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 264-77 awarding Site Improvement Contract No. 22-A to Nibbi-Lowe Construction, Hunters Point Approved Redevelopment Project Area NDP A-5.

Mr. Hamilton indicated this would be held over one week.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 5-78 commending and expressing appreciation to Walter F. Kaplan for his devoted services and outstanding achievements upon the occasion of his retirement as Chairman and Member of the San Francisco Redevelopment Agency.

Mr. Hamilton indicated that Secretary Helen Sause would read the resolution commending former Member Walter F. Kaplan as follows:

WHEREAS; WALTER F. KAPLAN has served as a Member and Chairman of the San Francisco Redevelopment Agency from April 28, 1959 to January 6, 1978; and

WHEREAS; Mr. Kaplan, a leader in the social, business and civic life of the City and County of San Francisco, brought to this Agency his outstanding abilities and energies and applied them with great dedication and devotion in connection with and to the accomplishment of the Agency's plans and projects designated as the Western Addition A-1, Diamond Heights, Golden Gateway, Western Addition A-2, Chinese Cultural & Trade Center, Yerba Buena Center, Hunters Point, India Basin, Stockton/Sacramento, and the study areas of Chinatown II, and Northeast Waterfront; now, therefore,

BE IT RESOLVED: That the San Francisco Redevelopment Agency, on behalf of its Commissioners and employees, in recognition of the splendid and unselfish service which he has rendered as Member and Chairman of the Agency, does by this Resolution, express to WALTER F. KAPLAN its appreciation of work well done, its thanks for his unprecedented services, its acknowledgment of his splendid achievements, and its most profound wish for the best of health, happiness and success in all of his future activities; and,

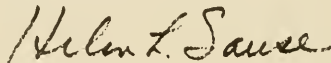
BE IT FURTHER RESOLVED: That the Secretary of this Agency is directed to have prepared for presentation to WALTER F. KAPLAN a suitable copy of this Resolution, as a token of the high esteem in which he is held by all.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Dr. Williams, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned to executive meeting. The meeting adjourned at 7:00 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

PRESIDENT'S REPORT

January 10, 1978

The By-Laws of the Redevelopment Agency allow at this time a report from the President. Now that this new Commission has completed its first full year and arrived at the point where it is entirely composed of appointees of Mayor Moscone, I believe it is appropriate to review our activities of the past year as we look forward to the year ahead.

During 1977, this Commission dedicated itself to making the redevelopment process one that fully addresses itself to the human and social needs of San Franciscans as well as the City's physical concerns.

To this end, this Commission has provided all interested groups and individuals a full opportunity to present their views on every issue that has come before this Commission. This has often necessitated our meetings going on until 6, 7 or even 8:00 at night, instead of concluding at 4:30 or 5:00. However, I believe the extra time has been well-spent. Now all San Franciscans should know that they will get a full and fair opportunity to have their views not only presented, but fully considered by this Commission. At the same time, this Commission has given great weight to the advice we receive from our officially designated community advisors, WAPAC and the Joint Housing Committee.

Cory Scott 1/19

This process of openness and fairness has had several benefits. I know from letters and phone calls I have personally received that it has led many individuals who did not receive the decision that they sought from this Commission to accept for the first time that they had been treated openly and fairly by the Commission. Even more importantly, it has, in the great majority of instances, brought the actions of this Commission into harmony with the views of most concerned San Franciscans.

Another indication of our social concern is reflected in our making it clear that the era of massive demolition is over. Intensive scrutiny now is given to all proposed demolitions to ensure that first, every building designated for demolition should in fact be demolished, and that second, where feasible, demolition should be delayed until we are confident that something better will take its place.

As we enter 1978, I believe we do so with a growing awareness among all San Franciscans that the new Redevelopment Commission is committed to working openly and fairly with all interested groups, individuals, and City officials for the benefit of the entire City.

At the same time, we, as Commissioners, recognize that the ultimate success or failure of this Agency depends upon the day to day work of our staff of over 200 persons. With a staff of this magnitude, it is obvious that the single most important position in the Agency is that of Executive Director.

Because of this, we undertook in early 1977 a nation-wide search to find the best single individual to fill this most demanding job. After processing more than 175 applications from throughout the United States, and watching our Acting Executive Director perform under fire, we unanimously concluded that the best person available to lead this Agency was right here among us--Wilbur Hamilton, a man who fully shares the new philosophy of this Commission.

Under Wil's leadership, we have made other important changes, additions and promotions among key Agency personnel.

Red Kernan and Earl Mills have been promoted to the second highest level in the Agency. Both are men of enormous ability, dedication and integrity who have worked their way up through the Agency's ranks. I simply do not know how we could manage without them.

We were also fortunate enough to land Tom Conrad from the Los Angeles Redevelopment Agency as our new Chief of Planning. Everything we have seen of Tom's work here assures us that we have the kind of outstanding new Chief of Planning we need to undertake the survey and planning work for what could become the finest redevelopment project in San Francisco--the northeastern waterfront.

1977 also saw Leo Borregard join us after 25 years of outstanding private law practice to head our legal staff and provide it with new life and direction.

Late in 1977, Jim Wilson took over as Area Director at Hunters Point after doing a superb job of pinch-hitting on virtually no notice as head of our Central Relocation Office during the International Hotel crisis. We are confident Jim will do the same fine job as Hunters Point Area Director.

Late 1977 also saw us hire Lewis Arnold, a man with great public and private real estate experience to strengthen our developmental capabilities. We look forward to working closely with Lew in the months ahead.

Finally, 1977 saw us give appropriate recognition to two of the finest and most dedicated public servants I have been privileged to know--Jane Hale and Helen Sause.

While I have mentioned only the nine people who we, as Commissioners, have promoted or selected during 1977, I fully recognize that we are privileged now to have the finest staff of any agency or department in the City. The fact that it has women and minorities at all levels has helped it to attain its position of excellence.

Yet, no matter how good our staff is, we all must continually question and review our methods and procedures in an effort to find better ways to accomplish our goals.

The Agency's actual program is, of course, enormous. It encompasses Hunters Point, India Basin, Golden Gateway-Embarcadero, Yerba Buena, Western Addition, A-2, Diamond Heights,

Chinatown, Bay View North, and the northeastern waterfront.

While time obviously does not permit even a brief review of all of these projects, I believe a few areas deserve special notice.

First, 1977 saw construction begin on 301 units of new housing in Hunters Point, an award-winning area whose outstanding accomplishments in housing, child care centers, and parks still are unknown to many San Franciscans.

1977 also saw India Basin receive the award as the finest urban industrial park in the United States. By the end of 1977, almost 70% of all project land was committed for development. In 1978, we look forward to major construction in India Basin bringing with it both temporary construction jobs and permanent employment opportunities for community residents.

Yerba Buena, is, perhaps our most important and most difficult project. It is interesting to note that in the 1960's Mayor Moscone was one of two supervisors who voted against YBC. Now that it is underway, he, as Mayor, and we, as Commissioners, are fully committed to seeing a quality development take place. Our task is not an easy one. The mistakes of the past have left their residue of present-day difficulties. To overcome these, we are working closely with City officials, private developers, and community representatives in an effort to ensure that YBC will be developed in a manner that meets the needs and wishes of most San Franciscans. To this end, we have employed

top design, economic, environmental, and legal experts to assist us. Yet, even while this vital, preliminary work is underway, 1977 saw some real progress in YBC. The new AT&T Long-lines Western headquarters was officially opened. An agreement was entered to sell and rehabilitate the Merchantile Building and agreements were entered for two vital housing developments which are slated to begin construction in early 1978.

The Western Addition in 1977 saw a number of successes including major development of Victorian Square, continued success in the Nihonmachi area, the issuing of key contracts for the development of the John Swett Community Facility, and the continued preservation and rehabilitation of Victorian homes. The overall success of the A-2 project was reflected in the fact that there were several competing bidders for almost every parcel of land offered.

The biggest single task remaining in A-2 is, of course, the development of a Fillmore commercial center. In 1977, we began the economic analysis and community input that are so essential if this development is to succeed. I believe that the efforts of the many good people now working together on this project will produce positive results in the near future. In the meantime, we will continue to take whatever steps are necessary to make a Fillmore commercial development succeed.

Finally, 1977 saw three new redevelopment survey areas established by the Board of Supervisors--Chinatown 2, Bay View

North, and the northeastern waterfront. We look forward with eager anticipation to pursuing these vital projects in full and complete cooperation with the residents, business people, and interested community groups from each area as well as all appropriate City and Federal officials.

In short, 1977 was a vital year of transition, redirection and progress for the Agency. As we enter 1978, we remain committed to providing quality physical developments that will meet the human needs of San Franciscans. The important groundwork we laid in 1977 should enable us to make major progress in all of our programs during 1978. We look forward to a year of working closely with all who are interested in the vital redevelopment process.

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF JANUARY 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of January 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

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and the following was absent:

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Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Linell Harden, San Francisco Human Rights Commission; Ted Frazier, San Francisco Coalition; Eugene A. Gullledge, Steve Douglas, Edward Gee, and Paxton Beale, representing the Gullledge Corporation; and Willie Beasley, Interested citizen.

Representing the press were Don Canter, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

President Wexler indicated that Dr. Williams was hospitalized and expressed hope for a rapid recovery from the continuing back problems he was experiencing.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 684-A, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 684-A, Western Addition Approved Redevelopment Project Area A-2.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and indicated she had some concern about the exterior design of the building as shown on the renderings which she had just seen for the first time today. She expressed opposition to the use of shingles and the lack of window space. President Wexler inquired when

SPECIAL APPEARANCES (continued)

the architectural renderings would be approved, and Mr. Hamilton indicated the drawings for the project had already been approved in August when the Commissioners were given a status report on the development and approved the composition of the former partnership.

Mr. Eugene Gulledge, representing the Gulledge Corporation, came forward and indicated that he and his partner, Mr. Steve Douglas, were present to answer any questions, and their architect, Mr. Edward Gee, would be arriving shortly.

There being no further persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The resolution sponsored by Supervisor Quentin Kopp concerning dissolution of the Agency, which was to have been heard by the Planning, Housing and Development Committee of the Board of Supervisors, has been tabled until further notice.
- (b) The Planning, Housing and Development Committee is formally considering the five-block addition to the Bayview North project.
- (c) TODCO No. 1 housing site will close January 18, 1978 and there will be a groundbreaking on January 20, 1978 at 10:00 a.m. on the site at the corner of Fourth and Howard Streets. The Commissioners are invited to attend this landmark occasion.
- (d) The Agency's former Western Addition Area A-2 site office at 762 Fulton Street has now been opened by the San Francisco Art Commission as the Western Addition Cultural Facility in the Neighborhood Arts Program.

President Wexler indicated that the next matter would be considered out of agenda order because there were persons wishing to speak to the item that had to leave the meeting.

NEW BUSINESS

- (a) Resolution No. 7-78 approving the second amendatory agreement to the disposition agreement with Crow-Spieker-Hosford No. 32 and authorizing the Executive Director to execute necessary documents, Parcel B-2. India Basin Industrial Park Approved Redevelopment Project Area.

This concerns an amendment to the disposition agreement with Crow-Spieker-Hosford which allows construction of a 64,000 square-foot industrial building prior to securing tenants. The disposition agreement now requires that tenants be signed up that will provide sufficient employment to meet the labor intensive guidelines established in the India Basin Redevelopment Plan before escrow can close. The developer has had difficulty in obtaining tenants for the project without having a facility ready for their use. Mr. Hamilton indicated

NEW BUSINESS (continued)

that the partnership has worked diligently to fulfill the objective of twenty employees per acre, but it is believed that it is necessary to have the building first. Therefore it is recommended that the date to provide mortgage financing be extended from January 15, 1978 to March 15, 1978 and the developer authorized to commence construction is requested. President Wexler noted this was the second amendment and Mr. Hamilton concurred and also in response to President Wexler he indicated that the amendment would be changed to allow the Commissioners 15 days to approve the affirmative hiring and employment levels for lessors in this developments

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 6-78 awarding Site Improvement Contract No. 27 for the construction of curbs and sidewalks adjacent to the Sutter Apartments on Site MR-1b to Pacific Pavements, Co., Ltd., Western Addition Approved Redevelopment Project Area A-2.

This concerns award of a contract to Pacific Pavements, Ltd., the lowest of four bidders, for construction of concrete sidewalks and curbs around the Sutter Apartments at Sutter and Gough Streets in the Western Addition Area A-2 for \$11,000. The firm has previously performed well for the Agency.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 264-77 awarding Site Improvement Contract No. 22-A to Nibbi-Lowe Construction, Hunters Point Approved Redevelopment Project Area NDP A-5.

This concerns award of a contract to the lowest of two bidders, Nibbi-Lowe Construction, for construction of a recreation facility building for the Galvez Playfield in Hunters Point for \$240,647. This will be a joint venture of Mr. Ernie Lowe, the contractor for MPPH Site 2, and the Nibbi Brothers, a local firm of good reputation. This work represents one of two parts of a contract which was originally submitted with too high a bid and it was rejected by the Commissioners in October 1977. A decision was made to divide the contract into two parts based on the premise that it would attract better response. The landscaping portion is still to be bid.

Mrs. Rogers questioned exactly what the building was, and Mr. Hamilton explained it was to be used as a storage of recreational supplies and restrooms for the Galvez Playfield and would be owned by the City. Mrs. Rogers asked why the City had permitted this building in the Hunters Point project and not one in the Western Addition A-2 area, and Mr. Hamilton indicated that the reason had to do with the nature of the facility which is part of a playground rather than a community center facility. As a comparison he noted that the building would cost \$240,000 and the total playground would cost \$1.5 million,

NEW BUSINESS (continued)

while a community facility such as the one being built in the Western Addition A-2 would cost over \$2 million. Mrs. Rogers inquired how it was that the Agency had built a community facilities building in Hunters Point and Mr. Hamilton replied that they were built under specific grants for that purpose but under the present law it was not now possible for the Agency to construct that kind of building.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 1-78 adopting Agency procedure in connection with the granting of variances from Redevelopment Plan requirements.

Mr. Hamilton indicated that this item would be held over at the request of staff.

- (e) Resolution No. 8-78 authorizing the Executive Director to enter into a land disposition agreement with the Golden Gate Apartments, Ltd., a limited partnership, as newly constituted, and a deed in accordance therewith, in connection with the sale of low-to-moderately priced private housing Site No. 15, Parcel 684-A, Western Addition Approved Redevelopment Project Area A-2.

This was the subject of the public hearing just held and concerns approval of a reconstituted limited partnership for construction of 72 units of low-to-moderate income housing. The Department of Housing and Urban Development (HUD) reprocessed the firm commitment approved August 1977 at a higher amount and it was during this time that the limited partnership was restructured and the commitment issued on December 12, 1977.

Mr. Ed Ong, Chief of Architecture, indicated that the change from the previous architectural renderings concerned the exterior treatment for the building from stucco to wood shingles. President Wexler inquired about the quality, and Mr. Edward Gee, architect for the Gulledge Corporation, indicated the shingles were of medium grade of good quality. Mr. Glickman asked Mr. Ong if this was the first time he had seen the renderings, and he answered affirmatively noting that he was aware of the changes from discussions with the architects.

President Wexler requested Mr. Ong to comment on Mrs. Rogers' concerns about the lack of windows facing out onto the street, and he responded that the elevation shown on the renderings depicted the development from the Post Street side which had windows facing into an interior court but the breaks in the facade are not as extensive as are those on Webster Street where there are balconies and decks to provide additional interest.

Mr. Edward Gee, architect for the Gulledge Corporation, came forward and explained that the elevation is shown from an angle which does

NEW BUSINESS (continued)

not fully depict the actual number of windows which covers 60 percent of the wall space. He noted that the typical townhouse has windows for all rooms facing the street which are recessed in a repetitive pattern with ten feet of glass alternating with ten feet of solid wall. He pointed out on the floor plans where these window areas were recessed and noted that the perspective of the rendering obscures the windows. Mr. Gee noted that the recessing of openings created a relief and interest by creating shadow lines in the facade. President Wexler indicated that there was no question that the design was important and he wanted to be sure that staff had had time to review the plans. Mr. Ong replied that the staff had worked for the past four to five years with Mr. Gee's office and that the plans have been approved and represent a good design given the nature of the limitations of the Section 236 program.

Mrs. Rogers indicated she had not seen the design before and had only reviewed the plans and previous renderings and needed more information. She was concerned that the exterior shingles would have an adverse affect on the buildings in Victorian Square. Ms. Shelley observed that Mrs. Rogers had previously objected to stucco and now it appeared that she was adverse to shingles, and Mrs. Rogers concurred, noting that she personally detested shingles and believed that there were other exterior coverings that should be considered. Ms. Shelley commented that the issue then became one of subjective judgment. Mr. Lee asked Mrs. Rogers for her opinion of stucco, and she indicated that there should be a blending of stucco or shingles to blend with the wood Victorians. President Wexler inquired about the timing on this item, and Mr. Hamilton replied that since this was one of the last remaining Section 236 commitments and HUD had previously declared the commitment dead and then had resurrected it and requested the Commissioners' consideration of the reconstituted partnership. Mr. Hamilton indicated that he considered it quite possible that any delay could result in HUD withdrawing its commitment. He considered it fortunate that there was still a commitment on the site which had been cancelled out twice and urged that there be no delays.

Mr. Gee indicated he had investigated the use of several different materials such as masonite, shingling, and plywood as Mrs. Rogers had suggested but in looking at these materials it was decided that because of the large scale of the project and the impact on the neighborhood that shingles would achieve a better affect due to the scale of the building. This material gives more warmth and weathers well since it acquires, with age and exposure, a beautiful, natural patina valued esthetically for its color. Shingles cost about \$34,000 more than plywood and in his opinion plywood was not a serviceable material and stucco and masonite were actually ugly.

Mrs. Rogers also expressed concern about the rents to be charged and expressed the belief that the rents had already increased five percent from those originally projected, and she inquired how much more they would be when the project was actually built. Mr. Gullledge responded it was true that rentals had escalated and in response to Ms. Blomquist's inquiry, he indicated that the new partners assumed responsibility for the project in July 1977 when the HUD commitment had expired. The commitment application had been in and out of the HUD office for the past eight years and was reissued because of the new sponsorship and is due to close this Friday so that construction can start immediately as soon as the weather permits. In response to Ms. Blomquist's inquiry, he stated that he believed construction would start by the end of January.

NEW BUSINESS (continued)

Mr. Gulledge indicated that he preferred stucco as an exterior finish. In his opinion the project was a good real estate investment but it also needed to have a good design as well as having reduced maintenance costs. The choice of exterior shingles is an ideal way to achieve low cost in the long run even though it costs more than plywood, masonite, or hardboard in the beginning to install. He commented that in looking at other projects throughout the Western Addition A-2 area he had observed that materials other than shingles and stucco required costly maintenance and were now showing the effects of deterioration because repairs were not kept up. He indicated that shingles also had an important insulating factor and were easily repaired.

President Wexler inquired if Mr. Gulledge had communicated with WAPAC on the status of the development and he responded that he had always fully informed Mr. Gene Suttle, Area Director of Western Addition A-2. He commented that the project itself had not changed and that his architect had had meetings with both Mr. Suttle and Mrs. Rogers, and at those times, Mrs. Rogers had expressed a preference for having the building shingled. He also indicated that the rents were set by HUD and were less than those of another newly opened project known as Laurel Gardens. The units are about 40 percent subsidized by HUD. It is necessary to first establish market rate rents. In responding to Mrs. Rogers, Mr. Gulledge indicated that he would not increase the rents.

Mrs. Rogers indicated that the rentals ranged from \$190 for a studio, \$230 for a one-bedroom, \$296 for two bedrooms, and \$432 for three and four-bedroom units so the increase was about \$20 per unit. Mr. Gulledge indicated the market rate was based on the present market.

Mr. Steve Douglas of Arles Enterprises Incorporated, which is one of the sponsors, came forward and indicated that he would like to report on cost problems. He indicated that the cost escalation had been a continuing problem of this project since he had become involved with it in July 1977. He noted that the contractor had to increase his prices because the subcontractor's prices had escalated. At this time there is a firm commitment and these differences have been resolved and he believed that any delay would be disastrous and he urged that the project proceed quickly. Ms. Blomquist inquired why this project had not been built in the past eight years when others have been constructed, and Mr. Gulledge indicated that the previous sponsors had had many problems and this was a new general partnership which he believed had done a good job in pulling the project together in a short time. Ms. Blomquist indicated that she did not believe any further extensions should be granted for this project.

Mr. Townsend came forward and indicated that the new sponsorship had not informed WAPAC directly of its progress and they had only learned of its status through Mr. Suttle. He deplored the lack of communication because he believed it slowed up the job. Mr. Lee inquired what the normal line of procedure was for potential sponsors, and whether they had to go directly to WAPAC. Mr. Townsend responded that it depended upon how they first became involved in the project, if they come to WAPAC first then they often maintained communication directly with WAPAC. Mr. Hamilton asked if Mr. Townsend had expressed a concern to Mr. Suttle about not having sufficient information because it is the Agency that needs to deal with the sponsors. Ms. Shelley indicated that according to her perception of working relationships, every developer could not be totally aware of those with

NEW BUSINESS (continued)

whom he must deal. She believed that the Agency has the controlling consideration and it was totally appropriate to place the Agency in the position of a mediator in discussions between WAPAC and the developers who want to build in the area. She asked if Mr. Townsend had a problem with the Agency playing the role of mediator. Mr. Townsend responded that he believed WAPAC was created because the Agency did not address itself to the needs of the residents and this was what citizen participation was intended for. He indicated he had no problem with the staff at the site office but did have with developers who had not been in the area before and he did not expect every bit of information to come to WAPAC but only the information WAPAC believed necessary. Ms. Shelley indicated she shared these concerns. She also expressed concern about the lack of communication with people in the community and the sponsors. Mr. Townsend indicated that there had been a promise to get back to WAPAC and he believed the developers should be told to communicate directly with WAPAC.

In response to President Wexler's question, Mr. Townsend indicated he had no problems with the Agency's approval of the new sponsors or partners. President Wexler responded that in this case the only method of exercising control would be to disapprove the addition of new partners since the Agency had already granted approval to do this project at the August 1977 meeting, if WAPAC does not approve of the development at this time. Mrs. Rogers indicated that she wanted the project to go ahead.

President Wexler indicated it was difficult at the last minute to reject a developer because he had not communicated with WAPAC; however, he suggested that the staff should advise the developers of the need for the community to be informed of their program and if staff believed this has not taken place then at that time the developer should be informed. Control is to remain with staff who will monitor relationships between developers and WAPAC since the Commissioners cannot do this. Mr. Hamilton concurred completely and indicated that in this particular case the renderings had not been made available to the staff until before the meeting and no one had seen them; however, this was illustrative material which did not change the proposed development. Therefore, there was no information available to staff that was not available also to WAPAC and as a matter of policy any information is relayed directly to the Western Addition A-2 site office staff and then to WAPAC. Mrs. Rogers indicated that there were developers who had refused to deal with WAPAC but talked directly to Mr. Suttle. Mr. Hamilton indicated that he was unaware there was any communication problem.

Mr. Douglas came forward and indicated it was he who had told the architect not to work on the rendering without further authorization because of the possibility that the project appeared to be dead three weeks ago. In the meantime it had been resurrected and he recited the events which occurred in obtaining agreement on prices between the contractor and his subcontractors after the final commitment was received from HUD so that the project could start. Mr. Douglas indicated that he had serious doubts if the project would ever become a reality unless it started under construction immediately. He commented that the cost problems had been resolved not by elimination of certain materials or cutting back on the design but by distribution of costs so that everyone concerned took their fair share of the cuts. He apologized for not having the rendering sooner.

NEW BUSINESS (continued)

He also indicated he had communicated with Mr. Suttle but was totally unaware that he should have communicated with anyone else but had made considerable effort to get the information to those with whom he was told to deal.

Mr. Suttle indicated he had been in contact with Mr. Gullledge two months ago about updating the exterior elevations and had related the information to Mrs. Rogers twice so WAPAC had time to consider the matter. The material which just arrived today had already been discussed. He commented that the contact with the Agency was through his office and forwarded immediately to WAPAC as is the policy for any issues concerning developers. He did not believe anyone was misinformed and urged that communication be a two-way street between staff and WAPAC.

Mr. Glickman suggested that a definite procedure or policy be established so that everyone could be kept apprised of what was occurring between the staff, developer, and WAPAC.

President Wexler asked for Mr. Hamilton's recommendation and Mr. Hamilton indicated that the partnership as reconstituted should be approved as the developers of this project.

MOTION: It was moved by Ms. Blomquist and seconded by Mr. Glickman that the Gullledge Corporation, now reconstituted as the Golden Gate Apartments, Ltd., be designated as the developer of Low-to-Moderately Priced Private Housing Site No. 15, Parcel 684-A, Western Addition Approved Redevelopment Project Area A-2.

Mr. Townsend indicated that his commentary was not directed to the present developer per se but indicated all developers ought to work closely with WAPAC. Mr. Gullledge indicated that he appreciated the concerns of WAPAC and that in his 34 years of experience he had had no difficulty in communicating when he was aware he was to have done so.

ADOPTION: It was moved by Ms. Blomquist and seconded by Mr. Glickman that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

NEW BUSINESS (continued)

The President thereupon declared that the motion carried.

President Wexler thanked all those who had participated in the matter.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:50 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF JANUARY 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of January, 1978, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Joan-Marie Shelley, Vice President
Charlotte Berk
Rubin Glickman
Melvin D. Lee

and the following were absent:

Howard M. Wexler, President
Dian Blomquist
Dr. Hannibal A. Williams

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers and Arnold Townsend, Western Addition Project Area Committee (WAPAC); Mrs. Bland Platt, Landmarks Advisory Commission; Ted Frazier, Teall Henderson, Foster Williams, Willie Kelley, Harrita Burroughs, Theresa Jean, Mark Lewis, Shirley Davis, Corrigan Polok, Dave Parris, Richard Vongella, R. Cooke, Maria Palermo, Mauricio Aviles, V. Ortega and M. Bailey; Ex-Supervisor Terry Francois, San Francisco Coalition; Martha Senger, representing the Goodman Group; Doug Edwards, San Francisco Phoenix; Brian McCaffrey, National Lawyers Guild; George Yamasaki, Jr. and Sim Sieki, Nihonmachi developer; Yori Wada, Nihonmachi Community Development Corporation, Anthony DeLucchi, Real Estate Department of the City and County of San Francisco; Anna Whittington, Randy Wayne, Julie Greenfield, Jeffrey Chan; Juan Calida, David Ana, Roger LaRue, Brian Spear and R. Calderal, Coalition to Support Nihonmachi Tenants; Thomas Colangelo, San Francisco Symphony; Joe Burk, Pacific Gas and Electric Company; Len Hamel, San Francisco Unified School District; John Culebro, San Francisco Department of Public Works; and Patricia Stamps, Phal Noyen, Phil Hurdman, Stella Ramos, and Raquel Alcantara, interested citizens.

Representing the press were Don Canter, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that the minutes of the Regular Meeting of December 27, 1977, as distributed by mail to the Commissioners, be approved. It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that the minutes of the Executive Meetings of January 10, 1978 and January 17, 1978, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Acting President Shelley indicated that the Coalition to Support Nihonmachi Tenants had requested the opportunity to make a presentation and she suggested that an overall time limit be allowed the group of twenty minutes after which there could be additional time for discussion.

Ms. Anna Whittington of the Coalition to Support Nihonmachi Tenants came forward and gave the Commissioners letters which urged the Agency not to sell the buildings at 1529-31 Sutter Street to Mr. Masao Ashizawa and withdraw the 90-day notices for the tenants to vacate 1531 Sutter Street. She indicated that the Coalition opposed these actions because the Agency had no plans for the building and the current developer had not indicated what his intentions were. She urged that the building be maintained as low-rent housing in the community and that the tenants not be evicted prior to rehabilitation. She alleged that the Agency had destroyed over 1,000 units of housing and had not replaced it but instead had turned the area of the Nihonmachi into a commercial center for tourists. She indicated the concern of the tenants who did not wish to move at this time and expressed the belief that deadlines had passed for development of the structures, and that it was not planned to rehabilitate the buildings for low-to-moderate income housing. She claimed that the Agency was proceeding with legal action against the tenants but has been unable to provide solutions to these problems. She urged the Agency to stop the sale of the building and develop it in a manner which served the needs of the community. She suggested sale to the San Francisco Housing Authority which could guarantee low-rent housing, but in her opinion the Agency would rather tear down the building and destroy the community. She also indicated people in the community would oppose en masse the actions of the Agency if it permitted 1531 Sutter Street to be sold.

Mr. Randy Wayne came forward and indicated his support for the demands of the Coalition that the buildings at 1869 Buchanan and 1531 Sutter Street be maintained as permanent low-rent housing and that the sale of 1531 Sutter Street be maintained as permanent low-rent housing, and that the sale of 1531 Sutter be stopped.

Ms. Julie Greenfield, representing the tenants of the International Hotel, came forward and indicated that the tenants of the hotel had defended their homes and community and would fight to stay where they were. She believed tenants were considered to be in the way of commercial use of the Nihonmachi area and urged that the Agency accede to the community's demands and not destroy this housing.

Mr. Brian McCaffrey of the National Lawyers Guild came forward and indicated that he had worked with people for forty years to ensure their basic rights to have decent housing and he supported the demands of the Coalition. He asked that the Agency not take any action on 1531 Sutter Street nor force the tenants out and that the suite against Mr. Lee be dropped. He suggested that the tenants only be moved when their new homes were fully prepared for them and that in his opinion the Coalition was only making minimum demands.

Mr. Juan Calida representing a group opposing the Bakke decision came forward and indicated his firm support on the demands as presented by the Coalition and deplored the fact that the community was being dispersed. He believed that the so-called Third World people were under attack and that the Agency

SPECIAL APPEARANCES (continued)

should fulfill its obligations to people in the Japanese community.

Mr. Jeffrey Chan of the Chinese Progressive Association came forward and indicated his organization had united with CANE and others to resist evictions and in his belief, the Agency had similar plans to tear down the Chinatown community. He alleged the Agency did not want working people to live in San Francisco and sought to relocate them outside the City. He believed there should be low rents for residential tenants and small shops in the area.

Mr. David Ana came forward and indicated that the Agency meet its obligations to the Japanese community, guarantee low-rent housing, and withdraw eviction notices on the 1531 Sutter Street tenants. He requested that the third floor of the building be repaired and maintained for low-rent housing.

Mr. Roger LaRue of the People's Cultural Center in the Mission came forward and indicated that he wished to speak on behalf of the tenants at 1531 Sutter and 1869 Buchanan Streets. He indicated it was difficult to find low-rent housing for working people and he believed such housing should be established in the Nihonmachi to meet this demand.

Mr. R. Calderal of the Goodman Group indicated his belief that the new Commissioners had served over two years and they had done nothing to change the Agency's policy of bulldozing housing and of providing homes for the middle- or upper-income groups.

Acting President Shelley indicated that the matter would be taken under advisement since no action was calendared on the agenda.

Mr. Hamilton gave a brief status report on 1869 Buchanan Street indicating that there was an unlawful detainer action against the tenant and the Agency was also preparing a unit for his relocation in the hope that he could be rehoused. Both actions are proceeding simultaneously. He indicated that since the tenant had previously agreed to move but at the last minute had refused to do so it was necessary to proceed on this dual course of action.

In connection with 1531 Sutter Street, the Agency is proceeding with negotiations with the former owner for repurchase of the building in accordance with Agency policy when a building acquired for clearance is to be offered for rehabilitation. The rehabilitation work cannot occur if the building remains occupied. If the former owner meets the performance dates and is assured of financing to do the work then it will become necessary to rehouse the tenants, and the Agency's relocation services will do this and provide alternative housing.

Mr. Hamilton commented on the mention of the International Hotel and noted that the Agency was not involved with the hotel nor did it anticipate becoming involved. The need for low-rent housing in the City is recognized, and to this point, Mr. Hamilton noted that a groundbreaking had been held in Yerba Buena Center on Friday for development of 102 units of senior citizen low-rent housing sponsored by TODCO and that there had been a tour of the 300 new units of family housing in Hunters Point, as well as the groundbreaking on Site 15 today for 72 units under Section 8 on a site

SPECIAL APPEARANCES (continued)

adjacent to the Nihonmachi. He indicated that these all demonstrated that the Agency is providing more housing for people than any other agency in San Francisco.

Ms. Whittington indicated that if the Agency was concerned about tenants then it should be concerned about repairing the buildings in question for low-cost housing or else tear it down so such housing can be built. She also indicated a belief that what is built is now low-cost housing and that the requirements make it too difficult for the tenants to move into.

Mr. Lee inquired about the alleged loss of property belonging to Mr. Henry Lee, the tenant at 1869 Buchanan Street, and Mr. Gene Suttle, Area Director for Western Addition A-2 responded that the matter was under investigation by the burglary detail of the San Francisco Police Department. He indicated that the security guards had all agreed to take lie detector tests and that Mr. Henry Lee had been advised to submit a claim for the allegedly stolen property, but to date this has not been done. Mr. Lee recalled that he had suggested that Mr. Henry Lee appear before the Commissioners to speak directly with him and asked Mr. Henry Lee's attorney, Mr. Brian Spear, to comment on these matters.

Mr. Brian Spear came forward and indicated that a claim had been submitted but was denied and that he believed the premises had been burglarized while Mr. Lee was on vacation. He commented that photographs depicting the condition of the apartment after the burglary were available and that he knew of no investigation. Mr. Hamilton indicated Mr. Spear had not answered Mr. Lee's question about Mr. Henry Lee's contacting the Agency, and Mr. Spear replied that Mr. Henry Lee worked a swing shift and was not able to appear and that he also had some reluctance about speaking with the Commissioners. He reiterated that a claim had been filed with the legal department, but had been denied.

Agency General Counsel Leo E. Borregard indicated that if there had been a claim submitted it had been denied by operation of law after 45 days while an investigation was proceeding. Mr. Borregard noted he was unaware of any claim being expressly denied. Mr. Spear commented that the issue of the robbery was not being addressed and asked that more attention be paid to it.

Acting President Shelley indicated that the Commissioners now had sufficient information to evaluate staff actions on the matter and indicated that it would be taken under advisement. Mr. Spear asked the Commissioners to consider the question of the sale of 1531 Sutter Street indicating that some of the tenants had been there before the Agency acquired the property. He suggested that it was unnecessary to displace the tenants and that they could either remain during the rehabilitation of the building or be moved into the adjacent structure, 1529 Sutter Street temporarily after it is rehabilitated. He also believed the investigation of the robbery could be difficult because two days after the robbery took place all the security guards were fired. He noted that no one had contacted him and as far as he knew nothing was being investigated. Acting President Shelley indicated that the investigation was in the hands of the police and the Agency could not interfere. Mr. Spear asked that the question of the sale of 1531 Sutter Street be calendared and that he be contacted when the tenants were to be relocated. Mr. Hamilton requested that Mr. Spear submit a copy of the claim originally submitted to the legal department.

SPECIAL APPEARANCES (continued)

Acting President Shelley asked about the feasibility of moving the tenants back and forth between 1531 and 1529 Sutter Street while the building is being rehabilitated, and Mr. Hamilton indicated that this was an alternative which would be considered. Mr. Suttle indicated that extensive rehabilitation was necessary for both buildings and the proposal to do them individually would be even more costly. He noted that this decision would ultimately be made by Mr. Ashizawa and that he will also decide whether to use Section 8 for the buildings. He stressed that there is no guarantee that the same households will be of an eligible income range to qualify for subsidized housing.

Ms. Whittington suggested that the Commissioners could ensure that the buildings would be designated for low-rent housing and that the concept of moving the tenants was only one idea and she urged that additional consideration be given to the problem. She also inquired what action would now occur and how much more information the staff needed to know.

Acting President Shelley indicated that the Commissioners would take the matter under advisement and that no issue was before the Commissioners for action. Ms. Whittington indicated that the Commissioners were being asked to consider a proposal not to sell 1531 and 1529 Sutter Street to the present developer. She indicated that the tenants had 30-day notices but did not wish to move. Acting President Shelley indicated that Ms. Whittington would be advised of any action in relation to these properties.

Mr. Hamilton indicated that no further consideration could be made of the sale of the building until it was determined if the former owner wants the building and can rehabilitate. This will be ascertained in mid-April and the matter will be brought before the Commissioners again.

Ms. Whittington asked if the tenants would be moved out first, and Mr. Hamilton answered negatively, noting that the Commissioners would act upon the question of sale before the tenants were moved but that notices would be sent when it was necessary to do so. He stressed that before any action can take place the Agency needs to be assured of Mr. Ashizawa's capacity to perform and the Commissioners' willingness to permit him to do so.

Acting President Shelley indicated that the matter would be considered in a public meeting before action was taken.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) At 10.00 a.m. on Wednesday, January 25, 1978, there will be a special preview tour of the new LaSalle and Shoreview Apartments at Hunters Point. These 300 units are built under the Section 2 low-rent subsidy program.

UNFINISHED BUSINESS

- (a) Resolution No. 4-78 authorizing the Executive Director to enter into a rental agreement with the San Francisco Coalition for utilization of cleared land in the Yerba Buena Center Project, Block 3724, Lots 108 and 109.

This represents authorization of a rental agreement with the San Francisco Coalition to use 25,600 square feet on Mission between Third and Fourth Streets as a parking lot for the purpose of a parking lot administrative training program developed by the Coalition and the Metropolitan Parking Corporation. Mr. Hamilton noted that at the preceding Agency meeting some modifications were requested concerning control of the disbursements accruing at the rate of 20 percent for the operating fund and also to bestablish a limit to the reasonable compensation for services rendered by Metropolitan. He noted that amended sections of the agreement had been forwarded to the Commissioners for their review.

Mr. Ted Frazier of the San Francisco Coalition came forward and indicated that the Coalition represented forty neighborhood organizations in the City with the purpose of developing employment opportunities and entrepreneurial openings on a long-term basis to unemployed City residents and minorities. The project under consideration will serve as a seed program to train these residents in the south of Market area. He indicated that initially five individuals would be hired to be responsible for administration and maintenance of the parking lot operations, which will be open six days a week from 7:00 a.m. to 7:00 p.m. and from 8:00 a.m. to 4:00 p.m. on Saturdays. Parking fees will be nominal for the 140 stalls and it is expected that the lot will gross approximately \$5,400 monthly. Every effort will be made to place trainees in the union or the parking industry and will earn union scale after a year's time. In order to first implement the program and Metropolitan Parking Corporation acted as a consultant providing technical assistance pertinent to the parking industry, as well as supplies, operating permits, and expense projections. He believed that the Agency's participation and assistance will guarantee maximum participation in the program of minorities and unemployed residents on a long-range development of Yerba Buena Center.

Former Supervisor Terry Francois came forward and indicated he was acting as legal counsel for the Coalition. He indicated there had appeared to be some concern with respect to involvement with the Metropolitan Parking Corporation. He recalled that a similar project had previously been attempted but had failed primarily because there was no one with sufficient expertise to assist the trainees. He indicated Metropolitan did not wish to have all its lots turned over to this purpose but did believe it had a contribution to make in assisting in the training of personnel as proposed by this program. It is not anticipated that any great profit will be made. Mr. Francois indicated that it is hoped that the program will develop the skills and abilities among young people so that one day they can have their own lots and business. Mr. Francois expressed concern about certain changes in Section 9 and 28 of the leases.

In response to Acting President Shelley's inquiry, Mr. Frazier asked that

UNFINISHED BUSINESS (continued)

the program not be delayed further while the agreement is reviewed by Mr. Francois. Mr. Francois also indicated approval of executing the agreement since there would be an opportunity later to review it. Mr. Glickman urged that the program be commenced as soon as possible.

ADOPTION: It was moved by Mr. Glickman and seconded by Ms. Berk that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Berk
Mr. Glickman
Mr. Lee
Ms. Shelley

and the following voted "Nay":

None

and the following abstained:

None

The Acting President thereupon declared that the motion carried.

NEW BUSINESS

- (a) Consideration of allocation of a parcel located at Laguna and Post Streets to the Nihonmachi Community Development Corporation, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that Mr. Sim Seiki was an allocatee under the agreement between the Agency and the Nihonmachi Community Development Corporation (NCDC) and had requested that the Agency reaffirm its intention to deliver a cleared site to the Corporation for his development. The existing building on the parcel at the corner of Post and Laguna is economically feasible for rehabilitation and the Commissioners at a previous meeting requested that Mr. Seiki meet with the NCDC and the Western Addition Project Area Committee (WAPAC) to discuss the matter further, but it appears no compromise has been reached. Mr. Hamilton asked Mr. Suttle for a status report on the matter.

Mr. Suttle indicated that WAPAC had again met with Mr. Seiki and the representatives of the NCDC as they had prior to the matter coming before the Commissioners. The issues that were discussed involved retention of the building and the potential cost of rehabilitation or clearing the site for new construction. The NCDC voted to request clearance of the site of both the large building and the adjacent smaller cottage on the site located on Laguna Street. It was proposed that Mr. Seiki would develop four three-bedroom units under the Section 8 program in a design approved by the NCDC. It appears that WAPAC agreed with this proposal but it has just been learned that WAPAC would not accept this solution. WAPAC wants to have the building and the cottage demolished, and Mrs. Bland Platt of the Landmarks Advisory Board is urging retention of both buildings. Staff continues to recommend that the agreement with NCDC be honored and the site be conveyed in a condition acceptable for development. Mr. Suttle

NEW BUSINESS (continued)

Mr. Seiki has indicated his intention to include the four units of housing above the two levels of commercial space in the proposed development.

In reply to Mr. Lee's question, Mr. Suttle indicated that instead of agreement there were now three separate opinions on what should be done with the parcel.

Mr. George Yamasaki, attorney for Mr. Seiki, came forward and indicated that they had met with a representative of WAPAC and they were surprised to learn that there was no compromise. He indicated he had been told by Mr. Yori Wada that inclusion of low-rent units in the new construction on a cleared site would be an acceptable compromise for WAPAC.

Mr. Yori Wada came forward and indicated that when the NCDC had met again it had decided to hold the Agency to its original agreement to demolish the Victorian buildings which do not fit in architecturally with the Japanese motif. He urged that the Agency adhere to the Master Plan for the Nihonmachi area but which did not provide for rehabilitation in the four-square blocks area and noted that the NCDC believed some buildings demolished and not others constituted a compromise of the Master Plan.

Mr. Glickman indicated his recognition that Mr. Wada was in a delicate position in being both the representative of the NCDC and a member of WAPAC and inquired if he were speaking to WAPAC also. Mr. Wada indicated Mrs. Mary Rogers would present WAPAC's position.

Mrs. Bland Platt of the Landmarks Advisory Board came forward and indicated that she had been approached January 5, 1977 regarding preservation and relocation for a large number of buildings in A-2 but later on January 7, 1977, communications were received from the NCDC which excluded some of the buildings to be reviewed. On January 19 Mr. William McClure, Director of Rehabilitation, provided her with maps which appeared to have resolved the discrepancy. On February 2, there was a meeting with Messrs. McClure, Suttle and Richard Kono, Deputy Area Director, and two representatives from the NCDC who indicated concern about this particular building. Mr. Wada was one who indicated the building could not remain and at that time it was considered infeasible for rehabilitation, but since that time certain laws were changed and costs had escalated so that rehabilitation is now economically feasible. She indicated that the Landmarks Advisory Board is interested in architecture of the building and the architectural interest it added to the streets of the area. She indicated that the possibility of moving the building within the project area had been evaluated but considered too expensive and the move could block traffic in the area for several weeks. She noted that she did not feel as strongly about preservation of the cottage. She believed that since the building was not in the center of the project, its being on the corner would not be a disturbing influence to the Japanese architectural motif.

Acting President Shelley indicated she regretted that all parties could not come to an agreement and it was a difficult decision to make. She inquired if WAPAC wished to make a statement.

Mrs. Mary Rogers of WAPAC came forward and indicated that the building

NEW BUSINESS (continued)

should be preserved as a landmark and that she believed it could be beneficial for Mr. Seiki to use as a tax write-off. She believed she could have the structure placed on the Federal and State Historic Registers and if this occurs then there would be a delay of at least two years before anything could be done. Mr. Glickman asked if the building were occupied and Mr. Suttle replied there were two businesses, two units used for storage, and one resident in the building. Mr. Lee asked about moving the building to a different site, and Mrs. Rogers indicated WAPAC had studied that aspect last summer and it was too expensive, because the movers would have to cut the building in sections and would cause traffic to be halted in the area. She believed it could be rehabilitated in place and Mr. Seiki should be given the right to rehabilitate it. Mr. Lee suggested that the ideal solution appeared to be to move it, and Mrs. Rogers indicated that if the Agency had the money, WAPAC would agree to this.

In response to Acting President Shelley's inquiry, Mr. Suttle indicated that the building had a peaked roof with an attic and because of its size it could not be moved easily. It would have to be sawed into several portions and supports would have to be placed in it before it could be moved. It would then require three to four weeks to move the sections at a cost from \$65,000 to \$85,000 which did not include removal of overhead wires, light standards and rerouting of bus transportation. The cost of rehabilitation was estimated at \$100,000 in accordance with new code provisions, and he believed the proposal was infeasible.

Mr. Yamasaki indicated he would like to show some renderings of the design, and Mrs. Rogers expressed concern that the plans had not been shown to WAPAC. Mr. Yamasaki indicated that the drawings had just been completed. He also noted that he had believed an agreement had been reached with WAPAC. He stressed that the purpose in showing the rendering was to illustrate how it blended better with the Nihonmachi project. He indicated that the NCDC was under no obligation to allocate the site to Mr. Seiki if it is to be rehabilitated. Acting President Shelley expressed regret that the design was presented at the meeting if it had not been previously discussed with WAPAC.

Mr. Wada indicated that he and Mrs. Rogers and Mr. Townsend had attempted to resolve the impasse and a new agreement was reached. A proposition was made to which Mr. Seiki agreed that he would put low-rent housing on the top floor, consisting of four three-bedroom family units and then have commercial use on the lower two floors. He had asked Mr. Townsend to convey this to Mrs. Rogers and if there were any further differences they could all meet again. Since there was no further communication, he believed the matter had apparently been resolved but actually Mrs. Rogers was not contacted. He was embarrassed about the plans because they should first go to NCDC's design committee and then to WAPAC.

Mr. Hamilton indicated that the process was important and since the NCDC, WAPAC and the Agency's architect had not seen the plans, he believed that the matter should be continued. Acting President Shelley asked how

NEW BUSINESS (continued)

long this would take, and Mr. Hamilton indicated the Agency's work would be rapid but since the other organizations met at different dates it could be several weeks.

Mr. Yamasaki indicated it had not been his intention to by-pass any established procedures and the only reason he brought the plans was to show good faith in Mr. Seiki's intention to proceed with the development and how it would carry out the Japanese design. He indicated he would follow the procedure.

Mrs. Rogers also expressed concern that market-rate rents for Section 8 units were being set at \$600 to \$700 per month which was more than rents for each of 236 units and could not be considered low-rent housing. She was concerned that this would inflate rentals in the Western Addition. Mr. Glickman encouraged everyone to attempt a resolution of the issues. He indicated he was disinclined to demolish the building and he urged that the parties reach an equitable compromise. Acting President Shelley agreed but also stressed her belief that the Agency needed to honor its commitments to developers. Mr. Glickman suggested that the matter be postponed.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Lee and unanimously carried that consideration of allocation of a parcel located at the corner of Post and Laguna Streets in the Western Addition Approved Redevelopment Project Area A-2 be postponed for further study.

- (b) Resolution No. 10-78 authorizing the Executive Director to enter into rental agreements with the City and County of San Francisco, Department of Public Works, the San Francisco Unified School District, and the San Francisco Symphony Association for the utilization of cleared land in the Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this was an authorization to enter into rental agreements with the City Department of Public Works, the Unified School District, and representatives of the San Francisco Symphony and Ballet to permit parking on the parcel between Van Ness, Turk, Franklin, and Golden Gate on a rent-free month-to-month basis for a total of 325 spaces. This space will accommodate the various City agencies and performing groups displaced from the Commerce High site on which the new Performing Arts Center is to be developed. The parcel has been reoffered for development.

Mr. Lee inquired if these agencies were paying rent on the Commerce High School site at this time, and Mr. Hamilton indicated that a representative from the City Department of Real Estate, Mr. Anthony DeLucchi, was present and could respond.

Mr. Anthony DeLucchi came forward and indicated that no rent was being paid since the school leased the site to Abcoa on a month-to-month lease for over one year. At the moment the lease is on a day-to-day basis. A portion of the lot is set aside for Department of Public Works parking and the other portion is for the Board of Education and these agencies being public entities are entitled to use the site rent-free which belongs to

NEW BUSINESS (continued)

the City. These stalls are fenced off from Abcoa and are utilized from 8:00 a.m. to 5:30 p.m. and then turned over after hours to Abcoa for use of Opera House patrons who pay for parking.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 9-78 authorizing the Executive Director to enter into a rental agreement with W & B Contractors, Inc. and M. Wong Engineers & Contractors, a joint venture, for the utilization of cleared land in the Yerba Buena Center Approved Redevelopment Project Area.

This represents a rental agreement with W & B Contractors, Inc. and M. Wong Engineers & Contractors to use a 33,000 square-foot parcel on Folsom between Third and Fourth Streets during construction activities and for storage of building materials while the TODCO Housing Site No. 1 is under development. Monthly rent is \$150 with a 30-day cancellation clause.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 11-78 authorizing the Executive Director to enter into a rental agreement with the Pacific Gas & Electric Company for utilization of cleared land in the Yerba Buena Center Approved Redevelopment Project Area

This represents a rental agreement with the Pacific Gas & Electric Company for storage of materials and construction trailer on a 7,500 square-foot site in the Yerba Buena Center project at the southwest corner of Third and Howard Streets. The PG&E will use the lot while working on underground utility connections at Third and Stevenson Streets for four months.

ADOPTION: It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton indicated that Mrs. Martha Senger of the Goodman Group had requested the opportunity to appear before the Commissioners regarding the Goodman Building.

Mrs. Senger came forward and indicated that there was an opportunity to apply for a grant from the National Park Service which could be useful in acquisition and rehabilitation of the building. She indicated this was from the same funds as the grant of \$15,000 which the Agency had decided not to accept because the potential developer, Mr. Alan Wofsy did not want because of conditions attached to it. She indicated that this was a potential grant which she believed could be as much as \$224,000 which was anticipated for use to acquire the building. The original purchase price of the building was \$224,000 which was changed to \$196,000. She indicated that her group had approached Dr. Knox Mellon, State Historic Preservation Officer, of the Office of Historic

MATTERS NOT APPEARING ON AGENDA (continued)

Preservation in Sacramento requesting award of a grant from the 1977-78 Federal appropriation for rehabilitation of the building. She indicated that because of new requirements by the National Park Service, his office was compelled to award grants only for applicants who can expend the funds rapidly and unfortunately the Goodman Group had neither clear title to the building nor any assurance of obtaining the title; consequently, the Goodman Group could not be certain that expenditure of the grant funds could be made within the required period. She indicated that Dr. Mellon informed her in his letter that had the Goodman Group held title to the building the project would have been funded previously but that failure of this grant application did not preclude the Group's being considered at any future time. She also noted that he had advised that if she was certain that the owner of the building would use the grant funds, then she should reapply but the application deadline for grants from the 1978-79 appropriation was February 1, 1978. She indicated that the Group had counted on receiving this money because the first \$15,000 plus this grant would have enabled them to develop the building. She indicated that she hoped to work together with the Agency to reapply for the next grant in aid which would be used for acquisition and rehabilitation. She urged that the Agency make application for this grant so the money would be available for them one year from now.

Mrs. Senger indicated that in her opinion the developer, Mr. Alan Wofsy, was having problems with his Section 8 financing, and the Department of Housing and Urban Development (HUD) is investigating whether this building constituted an appropriate use of Section 8.

Mr. Glickman asked Mrs. Senger if she had discussed the matter with staff and she replied that she had not. He noted that the letter to which she referred was dated December 30, 1977 and asked why she was just now bringing the matter to the Commissioners. He indicated that staff had the responsibility to advise the Commissioners but if the staff had not reviewed the matter first, Mrs. Senger should not expect the Commissioners to act on the matter today. Mrs. Senger indicated that the letter had been delayed and she had just received it a few days ago. Mrs. Senger indicated that an extension could be requested so that staff and the Goodman Group could work together on the application.

Acting President Shelley inquired what the reaction of staff was, what interest the Agency as the owner of the property would have in applying for this grant, and also what Mr. Wofsy's response would be as developer if the Agency applied.

Mr. Hamilton indicated that the Agency's position has not changed from that stated when the \$15,000 grant was first presented. He noted that Dr. Mellon pointed out that there were compelling requirements that permitted him to award money only to those who could expend the funds rapidly and in regard to the issue of title, there has been no change because the Agency has and still does have clear title to the building which precludes the Goodman Group receiving funds for property which it does not own. Mr. Hamilton also indicated that the Agency is under obligation to Mr. Wofsy who is preparing his development plans and these are being considered by HUD for funding, and to Mr. Hamilton's knowledge he knew of no

MATTERS NOT APPEARING ON AGENDA (continued)

difficulties being encountered by Mr. Wofsy in connection with Section 8 funding. He believed it was inappropriate under the circumstances for the Agency to apply for the grant.

Mrs. Senger indicated that the money would not be available to be spent for a year and she again urged that the Agency submit an application. She commented that she had tried unsuccessfully to speak with Mr. Wofsy who refused to talk with the Goodman Group until it signed away its potential negotiating position. She claimed he was unwilling to cooperate with the tenants and that there was an extensive investigation being undertaken by HUD with the possible result that funds may be withheld if any adverse impact on the Goodman Building's cultural attributes are found to have been damaged. Acting President Shelley asked if there had been recent contact with Mr. Wofsy regarding the proposed grant, and Mr. Hamilton responded that he was just made aware of the existence of the second grant yesterday. He indicated that Dr. Mellon had made it abundantly clear that there had to be some assurance that the owner of the building would make use of the grant in which case he urged submittal of a reapplication; but, in this particular case, Mr. Hamilton did not believe the requisite conditions would be met. He noted again that Mr. Wofsy was the designated developer who does not want to be committed to the terms of the grant.

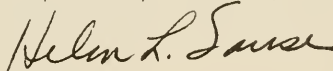
Acting President Shelley indicated her understanding that Mrs. Senger wanted the money for acquisition and rehabilitation of the building but pointed out that until the designated developer expresses an interest in applying for the grant the Agency cannot impose that grant upon him.

Mr. Calderon of the Goodman Group came forward and indicated that the Board of Supervisors had designated the Goodman Building as a landmark and he believed that the Agency should work with the tenants to find a way of developing it. He urged the Agency to apply for the funds so that they would be available in the event that Mr. Wofsy does not obtain his funding. He indicated that the tenants had tried for six years to save the building and he was unable to see any change in the Agency's thinking. He believed it should express good faith by applying for the grant. Mrs. Senger indicated that if the Agency and the Goodman Group worked together all problems could be resolved. Mr. Lee inquired if Mr. Wofsy was aware of the new grant, and Mr. Hamilton indicated he would be apprised of it, and that staff would be willing to meet with the Goodman Group on the matter.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:35 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

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FEB 24 1978

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
31ST OF JANUARY, 1978

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 31st day of January 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman

and the following were absent:

Melvin D. Lee
Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Benny Stewart, Mary Rogers, Richard Harper, Gene Stancil, and Teall Henderson, Western Area Project Area Committee (WAPAC); Red Frazier, San Francisco Coalition; Martha Senger, Goodman Group; Roosevelt Carrie, Roosevelt Carrie Insurance, Larry Cutler, Jessie Hotel; and May Jennings, Larry Woods, and Warren Davies, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

President Wexler indicated that Dr. Williams was still hospitalized and expressed hope for a rapid recovery.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the minutes of the Regular Meetings of January 10, 1978 and January 17, 1978 as corrected and as distributed by mail to the Commissioners, be adopted.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The first round of the Urban Development Action Grant (UDAG) applications are due February 1, 1978. The City has just decided to defer its submittal until the second period, April 1, 1978.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) The Agency meeting of February 14, 1978 will take place at the First Union Baptist Church at Golden Gate Avenue and Webster Street in Western Addition Area A-2. There will be a special reception commemorating Black History Week at 3:00 p.m. preceeding the meeting.

REPORT OF KEY STAFF MEMBERS

- (a) Earl Mills, Deputy Executive Director for Community Services, reported on the Goodman Group grant application study request.

Mr. Earl Mills reported that following the Goodman Group's request at the Agency meeting of January 24, 1978 staff met with Mrs. Senger to investigate the advisability of the Agency applying to the State Department of Parks and Recreation for a National Park Service Grant for Historical Preservation on behalf of the Goodman Building. He recalled that Mrs. Senger had received a letter from Dr. Knox Mellon of the Historical Preservation office, which stated that the Goodman Group was ineligible for such grant because it was not the owner of the building, and Mrs. Senger had, therefore, asked that the Agency, as owner, make the application for the grant.

Mr. Mills indicated that he had contacted Dr. Mellon, Mrs. Senger, and Mr. Alan Wofsy, the designated developer, to learn the particulars on the availability of the grant, timetable for selection of recipients, and requirements attached to such application and acceptance. Dr. Mellon indicated that the State had grants in the amount of \$700,000 available for the calendar year of 1978 and that half of this amount would go to Southern California applicants. Dr. Mellon believed that the Goodman Building could expect to receive a grant of approximately \$25,000 and no more than \$50,000 if its application were approved. Dr. Mellon also indicated that although the deadline was February 1, 1978, his office could accept an application for a few days after than and would review it, visit the site, evaluate the merits of the proposed project, and then make recommendations to the National Park Service in Washington, D.C. for grant award in the fall.

Mr. Mills indicated that Dr. Mellon informed him that two kinds of grants were available, one for acquisition and the other for rehabilitation, and these were matching grants requiring the recipient to match the amount received. The two conditions which recipients must meet are that the resource being preserved must be available to the public for a minimum of 12 days per year and that there must be a legal agreement to maintain the historical integrity of the facility for a period from 20 to 50 years depending upon the amount of the grant. The State Historic Preservation Office must also approve any changes made to the structure upon which the grant was made.

Mr. Mills indicated that the designated developer, Mr. Alan Wofsy, continues to be disinterested in the grant, because he does not need the funds and he does not wish to be bound to the conditions attached to receipt of the grant. In the event Mr. Wofsy for some reason does not become the redeveloper of the property, it would not be in the Agency's interest to have compromised the marketability of the structure by encumbering it with the required conditions of the grant. Mr. Mills also indicated that the third reason for not applying for the grant was that the Agency, as temporary owner of the building, was in no position to accept these conditions which require 20 to 50-year obligations in connection with administration and maintenance of the building. Therefore, the Agency staff recommends that the grant not be applied for.

REPORT OF KEY STAFF MEMBERS

Mrs. Martha Senger of the Goodman Group came forward and questioned why the Agency which had committed itself to retention of the building was so reluctant to accepting the conditions of the grant which would preserve the building for 50 years and open it to the public. She believed the Agency in good faith should make the application. She questioned why Mr. Wofsy did not wish to accept the conditions of the grant and expressed some concern about what he intended to do with the building. She inquired if Mr. Wofsy could sell the building to someone who had no commitment to maintaining it. She noted that these questions should be responded to before March 15, 1978. She claimed this was the third grant that the Agency had turned down, the first being a \$15,000 matching grant and the second was for approximately \$15,000 and then this third one for amount that she believed could be as much as \$50,000. She also believed that there were few restrictions on the funds and that Mr. Wofsy should be willing to comply with these requirements. If the Agency will not make an application she indicated that the Department of Housing and Urban Development (HUD) was conducting an investigation on what she considered to be the massive rehabilitation currently proposed for the building by Mr. Wofsy. She indicated that there is concern that the rehabilitation will damage the property which is listed on the National Register of Historic Places and if the building's character were changed architecturally or functionally this could cut off Federal funding.

President Wexler asked Mrs. Senger to clarify her statement that the Goodman Building Development Corporation would apply for the grant should the Agency not do so and pointed out to her that Goodman Building tenants did not own the building. She responded that they would file in the hope that the building could be saved and the application could be a safeguard for retention of the building. She anticipated that Mr. Wofsy would be unable to accomplish his financing by March 15, 1978 and the Agency could then send the documents indicating transfer of ownership to some other developmental entity.

NEW BUSINESS

- (a) Resolution No. 13-78 authorizing the Executive Director to enter into a contract with the Western Addition Project Area Committee for citizen participation in the Western Addition Approved Redevelopment Project Area.

Mr. Hamilton indicated that substantive language changes had just been suggested by the legal division that were to be incorporated in the new contract which he had not seen. Therefore, he recommended that the current contract with the Western Addition Project Area Committee (WAPAC) be extended for two additional weeks on the present basis until the Agency and WAPAC had considered and reviewed the changes. Under a monthly rate of \$10,377.25 the two-weeks' period would cost \$5,200. In response to President Wexler's inquiry, Mr. Hamilton indicated that the salary increases proposed in the new contract would be retroactive to the first of the year. Ms. Shelley suggested change of the contract's use of the word "Chairman" to that of "Chairperson" and Mr. Hamilton noted the change.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the current Western Addition Project Area Committee (WAPAC) contract for citizen participation in Western Addition Area A-2 be extended for two weeks for an amount not to exceed \$5,200.

NEW BUSINESS (continued)

- (b) Resolution No. 14-78 authorizing the Executive Director to enter into owner participation agreements with certain property owners in Western Addition Approved Redevelopment Project Area A-2, Block 685, Lot 1, and Block 792, Lot 7-D.

Mr. Hamilton indicated that this represented execution of owner-participation agreements with Ricky T. Sue and Robert S. Okamura for property at 1745-47 Buchanan Street which has been brought up to code but which State law requires that an owner-participation agreement be executed, and also for Mr. and Mrs. Ralph Dayan for property at 337 Fulton Street which will be rehabilitated at a cost of \$157,000 through a Section 312 rehabilitation loan.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (c) Consideration of fire and vandalism insurance for Agency-owned buildings in the Western Addition Approved Redevelopment Project Area A-2.

This represents award of a fire, vandalism and extended coverage insurance on 22 Agency-owned buildings in the Western Addition Area A-2 to the firm of Dinner Levison Company, currently the Agency's present broker, who submitted the lowest proposal for this coverage of \$20,187. These buildings are to be rehabilitated.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that Dinner Levison Company be awarded the fire, vandalism and extended coverage insurance for Agency-owned buildings at a premium of \$20,187, Western Addition A-2.

- (d) Resolution No. 16-78 authorizing the Executive Director to enter into an agreement with Larry Cutler for management services at the Jessie Hotel, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that this was a contract with Mr. Larry Cutler for management services at the Jessie Hotel, Yerba Buena Center Approved Redevelopment Project Area, at a cost of \$800 per month. The hotel is required to remain as part of the TODCO agreement until the first TODCO housing is completed and there are currently eleven residents in the building. Mr. Cutler will be added to the Agency's liability insurance and will perform janitorial work and collect rents, as well as other managerial services.

Mr. Glickman asked about the original contract which was held by a real estate firm and if their services were terminated and if Mr. Cutler had requested the Agency to reconsider such a contract. Mr. Earl Mills responded that Mr. Cutler was the resident manager in the hotel and when the Agency was evaluating management costs he was approached to ascertain if he would be willing to perform these services. He indicated that the Agency had exercised its prerogative to terminate the contract. President Wexler recalled that when the Commissioners were evaluating the budget, this was an item which had come to their attention because there were only seven residents in the hotel and the management contract was for \$3,500, which worked out to a cost of \$500 for each resident per month and the

NEW BUSINESS (continued)

Commissioners requested that staff evaluate alternatives.

Ms. Blomquist inquired if the Agency had other management contracts for such services by the Agency and Mr. Hamilton responded negatively and Mr. Mills indicated this was the last remaining hotel. President Wexler inquired if there were any other expenses in addition to the \$800 per month paid to Mr. Cutler, and Mr. Mills indicated that there was a \$350 monthly insurance cost to place Mr. Cutler on the Agency's policy. He noted that a reduction had been effected from \$3,500 to \$1,150, and President Wexler complimented Mr. Mills on his accomplishment which brought the costs for services provided into a more realistic framework.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 17-78 approving an agreement between the City and County of San Francisco and the San Francisco Redevelopment Agency for the determination of joint lead agency for the Yerba Buena Center Environmental Impact Report.

This concerns execution of an agreement with the City designating joint lead agencies for the Environmental Impact Report certification hearing and process as requested by the City Attorney. On Monday, the Board of Supervisors approved the proposed agreement and presently the hearing is scheduled for February 9, 1978 at 3:00 p.m. Ms. Blomquist inquired what changes would be made to the draft for lead agencies agreement, and Mr. Thomas Conrad, Chief of Planning, Housing, and Programming, responded that in essence any changes would be nonsubstantive and were being worked on by the City Attorney.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 12-78 approving Change Order No. 1 to Personal Services Contract HE-30, Hunters Point Approved Redevelopment Project Area.

This represents two change orders to contracts with Jacobs & Associates for claim evaluation services. Change Order No. 1 affects Contract No. HE-30 executed in July 1975 and increases the balance of \$8,440.91 by \$2,255.78 for a total of \$10,696.69. Change Order No. 2 affects Contract No. HE-28 executed October 1974 and closes it out by transferring the unexpended balance of \$2,255.78 to Contract No. HE-30. These changes bring the rate compensation to a current level from the 1975 levels, by increasing the rate for the principals from \$35 to \$45 per hour and the hourly rate for other employees from 0.01335 to 0.014. Mr. Hamilton indicated that there should be an ongoing capacity to deal with claims that are not settled and also any which may materialize. Ms. Blomquist asked if the funds could be drawn upon at will, and Mr. Hamilton responded that the Agency would have authority to apply them as necessary. President Wexler commented that from his own experience he believed that Jacobs & Associates provided valuable and excellent service in the area of contract negotiations.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (g) Resolution No. 15-78 authorizing execution of agreement for Community Development services with the City and County of San Francisco for the 1978 Community Development Program year.

Mr. Hamilton indicated that this represented the Agency and City Community Development agreement or memorandum of understanding for the budget approved by the Board of Supervisors on October 31, 1977 submitted to HUD. HUD has approved the memorandum and this action will enable the Agency to execute the agreement and draw down on the allocation as needed to continue the program. The agreement provides a total budget of \$12,442,885 for 1978 and will be disbursed among the projects, including Western Addition Area A-2 for \$3,627,896; Hunters Point NDP for \$6,065,083; India Basin Industrial Park for \$2,232,586; Yerba Buena Center for \$377,500; and the Northeastern Waterfront for \$139,820. Ms. Blomquist commented that she continued to hold the belief that the Agency's administrative budget was too high.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

- (h) Consideration of proposals for automobile fleet insurance.

This concerns placement of the Agency's automobile insurance with the Roosevelt Carrie Agency which is a minority firm located in the Western Addition A-2 area. Of seven brokers who responded to bid solicitation, Johnson & Higgins was the low bidder for \$23,308 and the Carrie Agency bid \$25,366 but because the difference of \$2,000 falls within the ten percent tolerance of the Agency's policy of encouraging minority-owned firms, it is recommended that Mr. Carrie be awarded the insurance. President Wexler indicated that Mr. Carrie had requested an opportunity to speak and Mr. Carrie had indicated that he was available to accept the recommendation.

President Wexler inquired if a representative from Johnson & Higgins was present. No one from the firm was in attendance.

MOTION: It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that the Roosevelt Carrie Agency be awarded the Agency's automobile fleet insurance.

President Wexler indicated that staff had advised him Mr. Carrie had had previous insurance contacts with the Agency and had provided excellent services.

- (i) Consideration of a request for solicitation of proposals to perform a procedural audit of the Agency.

This is in connection with a request for a proposal to perform a procedural audit of the Agency and it is recommended that five firms be contacted for this work: the George S. May International Company, Ernst & Ernst, Touche, Ross & Company, Price Waterhouse & Company, and Arthur D. Little, Inc. Ms. Blomquist inquired if this audit covered only procedural matters or whether areas which may be outdated will be

NEW BUSINESS (continued)

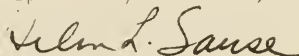
identified and recommendations made for change. Mr. Hamilton responded affirmatively. Ms. Shelley referred to the Agency's organizational chart which was attached to the Commissioners' memoranda and asked if it was current and correct. Mrs. Hale indicated it was correct and current. In response to President Wexler's inquiry, Mrs. Hale explained that the firms would be conducting interviews and evaluations of procedures and advising on whatever weaknesses existed in the specific areas involved and how to correct such processes. President Wexler inquired whether Mrs. Hale could give examples of areas a consultant would be evaluating and if, for example, housing, graphics, or other aspects of the Agency's program would be reviewed, and Mrs. Hale answered affirmatively and noted as an example that they would evaluate the assignment of duties and staffing levels as well as certain duties and procedures and whether proper separation is currently practiced. They may also look at the Agency's reproduction and purchasing departments to make suggestions on procedures, but the firm chosen will not be performing an actual audit of what is purchased. Ms. Blomquist asked if the site offices would be involved and Mrs. Hale answered affirmatively and added that if there are any superfluous procedures these will be eliminated. Ms. Berk asked if there had ever been such an audit, and Mrs. Hale answered negatively and noted that staff had suggested such an audit but the Commission at that time believed it was unnecessary. Ms. Berk inquired if it were similar to the role of an efficiency expert, and Mrs. Hale indicated it was more than that and concerned a thorough review of the Agency's practices. She noted that it would not represent a fiscal audit, although several of the firms are fiscal auditors. Mr. Hamilton indicated it was more in the nature of a management audit. Ms. Berk asked if the City's budget office of the Board of Supervisors was also investigating this aspect of the Agency's program, and Mr. Hamilton indicated there was an audit pending concerning the Agency's management but not necessarily procedural aspects. President Wexler indicated that the Board of Supervisors audits were more directed toward the deployment of personnel rather than procedures. Mr. Hamilton indicated he did not know what would be the scope of the Board of Supervisors' budget analysis and believed that there would be further discussion after the Agency learns of the budget office's conclusions. President Wexler inquired if staff recommended that the Agency go forward with the audit, and Mrs. Hale responded affirmatively.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that a proposal to perform a procedural audit of the Agency be implemented.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 5:05 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

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7-78

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF FEBRUARY, 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of February, 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

MAR 7 1978

and the following was absent:

Dr. Hannibal A. Williams

SAN FRANCISCO
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The President declared a quorum present

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Gene Stancil, Western Addition Project Area Committee (WAPAC); Teall Henderson, San Francisco Coalition, Elouise Westbrook and Willa Jones, Bayview-Hunters Point Joint Housing Committee; Nancylee Finley, Gregory Mull, and Giovanni Dini, representing Elliott Lawrence, Inc; Richard Clair and John Kim, Bayview-Hunters Point Nonprofit Community Development Corporation; Isaac Hargrove and Richard Crandall, Isaac Hargrove, developer; John Wouldridge, Al Hicks, and Sandy Babcock, John Wouldridge, Incorporated; Aaron Green and Wiley Pierce, Bahia Vista Homes and Dukes/Dukes and Associates; and T. Alasimic, interested citizen.

Representing the press were Don Canter, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

President Wexler indicated that Dr. Williams continues to be hospitalized and expressed hope for a rapid recovery.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meetings of January 24, 1978 and January 31, 1978, as distributed by mail to the Commissioners, be adopted.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels FF-2; X-1 to X-10; Z-1 to Z-7; Z-9 to Z-10; Z-13; T-1 to T-7; Y-7 to Y-13 and Y-15; W-1 to W-10, Hunters Point Approved Redevelopment Project Area.

SPECIAL APPEARANCES (continued)

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels FF-2, X-1 to X-10; Z-1 to Z-7; Z-9 to Z-10, Z-13; T-1 to T-7; Y-7 to Y-13 and Y-15; and W-1 to W-10 Hunters Point Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The New Western Addition Community and the San Francisco Redevelopment Agency will celebrate Black History Week with a special observance and meeting next Tuesday, February 14, 1978, at 3:00 p.m. at the First Union Baptist Church, 1001 Webster Street at Golden Gate Avenue by featuring dramatic readings by the African-American Historical and Cultural Society and music from the First Union Youth Choir. Mayor George R. Moscone, Supervisor Ella Hill Hutch, WAPAC's Chairperson Mary Rogers, and the Reverend H. L. Davis will participate. Following refreshments, the regular Agency meeting will commence at 4.00 p.m. Mr. Hamilton invited everyone to attend
- (b) A special meeting of the Agency will be held on Thursday, February 9, 1978 at 3:00 p.m. in Room 282 of the City Hall for the purpose of participating in a joint public hearing with the City Planning Commission to receive public comment on the Draft Environmental Impact Report (EIR) on the Yerba Buena Center, prepared by the City and County of San Francisco and the Agency as joint leading agencies. All interested parties are invited to attend.

NEW BUSINESS

- (a) Consideration of a resolution cancelling the reaffirmation and designation of Arcon/Pacific, Ltd. as the redeveloper of the private sites within the Central Blocks of the Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton recommended that this item be removed from the agenda as a calendar item. He indicated that today, after many months of negotiation, an agreement was reached with Mr. Lyman Jee of Arcon/Pacific, Ltd. relative to his continuing role as a developer in the Yerba Buena Center Central Blocks. That agreement has been signed, subject to approval of the Commissioners, by Mayor George Moscone, Chief Administrative Officer Roger Boas, Mr. Jee, and by himself as Executive Director of the Agency. The agreement meets conditions which have been continually discussed with the Commissioners and the final document has been made available to the Commissioners today for their review. Mr. Hamilton recommended that the item be calendared for formal approval on the agenda for the meeting of February 14, 1978.

RULE OF THE CHAIR: President Wexler indicated that subject to any objections by the Commissioners that Item 9(a) be taken off the agenda and ratification of the agreement with Arcon/Pacific, Ltd. would be calendared for the meeting of February 14, 1978. There was no objection.

NEW BUSINESS (continued)

- (b) Resolution No. 22-78 authorizing the Executive Director to enter into a disposition agreement with Nancylee Finley and execute necessary conveyance instruments; approving minimum disposal price; and ratifying and confirming publication of a notice of public hearing; all in connection with the sale of Parcels FF-2; X-1 through X-10; Z-1 through Z-7; Z-9 and Z-10 Hunters Point Approved Redevelopment Project Area A-5.

Mr. Hamilton indicated that it gave him great pleasure to present Items (b) through (f) representing development of 72 units of three- and four-bedroom homes ranging from \$50,000 to \$65,000. He noted that years ago it was said that the Agency would never be able to build or market single-family homes in Hunters Point, but the Agency was confident that after site improvements and other amenities were installed that quality subsidized housing could be successfully marketed on these sites. The item comes as a result of response from five different developers whose proposals will create new housing to facilitate the changing image of Hunters Point. Mr. Hamilton indicated that Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development, will present each of these developments which had been the subject of the public hearing.

Mr. McMahon indicated that the first of the developers submitting proposals was Ms. Nancylee Finley who will construct 32 single-family residential units on twenty various parcels scattered throughout the area. The total disposition price for the parcels totalling 67,566 square feet will be \$90,750. Mr. McMahon indicated that Ms. Finley had considerable experience in development in the Bay Area and he introduced Ms. Finley and her architect, Mr. Gregory Mull.

Mr. Mull came forward and indicated that two types of plans were to be built on the sites. The first is a 17-foot 10-inches wide by 49-foot 6-inches deep home consisting of 1,520 square feet. Mr. Mull indicated that because of the narrowness of the lot there would be single-car garages with one parking space in front of the homes. These homes are designed for families who would need three-bedroom and two-bath units. He indicated all had outstanding views and were located on Keith Street. He commented that he had used a simple design with the buildings being set back three feet on a staggered line around the curve of the street to create interesting view lines. The other plans are for 24-foot wide lots on which four-bedroom homes with two-car garages would be constructed. Mr. Mull indicated that the 17 foot wide homes were in the \$49,500 range and the 24-foot wide lots were in the \$65,000 range which includes all costs.

Mr. Glickman inquired about the 17-foot lots, and Mr. Mull responded that although there were narrow lots and despite the concept that it is difficult to design for widths less than 25 feet, he believed that the 1,520 square-foot house turned out well and was functionally adequate. He also believed that the costs could be kept down to be within the reach of low-to-moderate income persons. President Wexler inquired whether the purchase prices were controlled by any agreement so that there would be control over the sales prices, or if the prices represented the developers best estimate of prices and they were subject to change.

NEW BUSINESS (continued)

Mr. Mull replied that a feasibility study was made on costs and they believed these could be held within the \$49,500 for two-bedroom units even though it was tight.

Ms. Nancy Lee Finley came forward and indicated that she believed there would be no problem of price changes. President Wexler inquired if the developer needed to obtain permission to establish a different selling price than those quoted and Mr. Hamilton responded that these were market-rate units and the sales price would ultimately be established by the market and the development would be closely monitored by the Agency; however, there were no requirements for such price limits as such. Ms. Finley indicated that she was using Senate Bill 99 financing and this would permit lower prices. President Wexler indicated that it was important to have realistic prices and Ms. Finley again indicated she was confident the units could be built for the states sales prices. Mr. Glickman inquired if any bids had been taken and Ms. Finley responded negatively indicating that she had had experience in making valid estimates and had considered that costs were higher in San Francisco than elsewhere that she had developed units. She indicated an element in keeping costs at a minimum was an ongoing training program she conducted which used people from the community, paying them a salary, and as they learned the job they would advance to a higher position and salary. In response to Mr. Glickman's question, Ms. Finley indicated she had estimated her costs closely. Mr. Mull indicated that the costs were based on \$27 per square foot for the living area and \$15 per square foot for the garage area. He noted that most builders could not build for less than \$32 per square foot but stressed that his experience with Ms. Finley indicated that the price would hold. Mr. Glickman inquired about the financing to be made available to the new home owners, and Ms. Finley responded that the Agency was arranging for that financing authorized under SB 99.

Mr. McMahon indicated that the SB 99 residential finance program was assured through a commitment from Citizens Savings and Loan for \$44 million to cover permanent take-out financing for the home owners. The commitment permits purchase of Agency bonds at 6 percent interest insured by the Federal Housing Administration. There will be a $\frac{1}{2}$ percent FHA service charge, $\frac{1}{2}$ percent for construction loan financing, and $\frac{3}{8}$ percent to cover Agency administrative costs. The loans available will be $7\frac{3}{8}$ percent to the purchasers. The loan term would be 30 years.

President Wexler asked if the Agency's architectural staff had reviewed the drawings, and Mr. Edmund Ong, Chief of Architecture, responded that he had not yet had detailed drawings and that would occur after the designation of the developer. He had initially looked at the plans and in his opinion they appeared to be acceptable. President Wexler asked if the Commissioners would have an opportunity to see the final plans, and Mr. Hamilton indicated that staff would evaluate the drawings but these would not formally come back to the Commissioners. President Wexler indicated that subject to any objections, all proposals could be voted upon at once, but Ms. Blomquist suggested that each be voted upon separately. President Wexler inquired if the Bayview-Hunters Point Joint Housing Committee had seen the approved proposals, and Mr. Hamilton responded affirmatively.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

President Wexler on behalf of the Commissioners thanked Ms. Finley and indicated that the Agency would work closely with her to assure successful completion of her proposed development of the 32 units.

Mr. Hamilton indicated that he had been advised that the representative of the Bayview-Hunters Point Nonprofit Community Development Corporation had another commitment and had requested to be heard next.

- (f) Resolution No. 26-78 authorizing the Executive Director to enter into a disposition agreement with the Bayview-Hunters Point Nonprofit Community Development Corporation, and execute necessary conveyance instrument; approving minimum disposal price; and ratifying and confirming publication of a notice of public hearing; all in connection with the sale of Parcels W-1 through W-10, Hunters Point Approved Redevelopment Project Area A-5.

Mr. McMahon indicated that Mr. Richard Clair would make the presentation on behalf of the Bayview-Hunters Point Nonprofit Community Development Corporation proposal to develop ten parcels consisting of 29,230 square feet. Each of the fourteen proposed 1,500 square-foot units containing three bedrooms and two baths would sell for approximately \$50,000. The disposition price of the land is \$48,000.

Mr. Richard Clair of the Community Design Center came forward and indicated that the fourteen three-bedroom two-bath units would be located on LaSalle and Mendell Streets on an unusual uphill site which enabled ground access to the second living level. There would be room for a one-car garage and parking in front of the building. The design of the roof form would provide light into the interior of the house similar to a clerestory effect. The master bedroom has its own bath and there would be balconies for the living areas facing the back of the building. He indicated he had worked closely with the representatives of the Joint Housing Committee and it had appeared to be satisfied with the plans.

President Wexler inquired about costs, and Mr. Clair indicated these were projected at \$51,000 for the five units having 1,492 square feet along Mendell and for the nine units with 1,532 square feet along LaSalle Avenue.

Mr. Lee inquired who was to be responsible for the landscaping, and Mr. Clair replied that since there were no existing trees on the sites now and it was anticipated the developer would provide street trees. Mr. Lee asked who would be responsible for maintenance and Mr. Hamilton indicated that this would ultimately be the responsibility of the City.

Ms. Blomquist inquired who the officers of the Corporation were, and Mr. L. P. Lewis came forward and indicated he would submit a list of the names later. He indicated that one of the members was Mr. John Smith who was a part-time licensed contractor, and his participation would result in a savings which would be passed on to the consumer.

President Wexler inquired if any of the proposed developers had used the prototype plans of the Agency, and Mr. McMahon responded that Mr. John Wouldridge was the only developer utilizing the design models. President

NEW BUSINESS (continued)

Wexler thanked Mr. Clair for his presentation made on behalf of the Bayview-Hunters Point Nonprofit Community Development Corporation.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 23-78 authorizing the Executive Director to enter into a disposition agreement with Isaac Hargrove and execute necessary conveyance instruments; approving minimum disposal price; and ratifying and confirming publication of a notice of public hearing; all in connection with the sale of Parcel Z-13, Hunters Point Approved Redevelopment Project Area A-5.

Mr. McMahon indicated that this represented development of one parcel for a single-family residence consisting of a 4,529 square-foot land area and selling in the \$55,000 price range on Innes Avenue, and that Mr. Richard Crandall, architect, would make the presentation. The disposition price of the parcel is \$5,500.

Mr. Richard Crandall came forward and indicated that the two-bedroom, two-bath home would be on a 45-foot by 100-foot lot on an upward sloping site and would have a two-car garage on the street level with the living area opening into a large backyard patio space. The top level would contain the master bedroom opening onto a deck. President Wexler asked if the home was for Mr. Hargrove's personal use, and Mr. Crandall responded affirmatively. Mr. Hamilton then inquired what the after value of the home would be, and Mr. Isaac Hargrove came forward and indicated that the construction costs would be about \$60,000 but he did not yet have a bid from the contractor. He indicated he would do some of the work himself. President Wexler indicated he looked forward to seeing Mr. Hargrove living in the area.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 24-78 authorizing the Executive Director to enter into a disposition agreement with John H. Wouldridge, Incorporate, and execute necessary conveyance instruments; approving minimum disposal price; and ratifying and confirming publication of a notice of public hearing; all in connection with the sale of Parcels T-1 through T-7, Hunters Point Approved Redevelopment Project Area A-5.

Mr. McMahon indicated that Mr. John H. Wouldridge has proposed development of fourteen units on seven parcels of three-bedroom, two-bath units consisting of 1,500 square feet and selling for \$60,000. Mr. Al Hicks would represent Mr. Wouldridge and the contractor would be Mr. Ernie Lowe. Mr. McMahon indicated that the developer had the financing to move forward on the proposal. The disposition price is \$31,500.

Mr. Sandy Babcock, architect, came forward and indicated that the project was a simple straight-forward plan for two-bedroom and two-bath units on an uphill site and the main level is on the ground at the rear of the

NEW BUSINESS (continued)

buildings. The living area will be facing toward the rear with decks. The wood-frame buildings consist of from 1,250 to 1,350 square feet not including the garage area and will sell for about \$30 per square foot, for around \$55,000. Mr. Babcock indicated that there would be gable-shaped roofs and heavy wood trim.

President Wexler inquired if the contractor had provided any costs, and Mr. John Wouldridge responded that Mr. Lowe was his contractor but had not yet done so. Mr. Glickman was concerned about escalation of costs and Mr. Babcock responded that the costs represented the contractor's estimate. Mr. Al Hicks came forward and indicated that he had talked with Mr. Lowe and the architect had used his estimate. President Wexler inquired if Mr. Wouldridge had done other developments, and he replied that he was in the apartment house business. Mr. Hicks indicated that Mr. Wouldridge had rehabilitated a number of apartment units on Masonic Avenue/Euclid Street, and in the area around Arguello Boulevard which Mr. Wouldridge had bought and rehabilitated. Mr. Hicks indicated that construction costs would be submitted when the contractor's bid was received and the selling prices would be determined by the market which were anticipated to be \$55,000 to \$57,000, but no more than \$60,000. President Wexler inquired if Mr. Wouldridge was associated with Mr. Charles Lee and Mr. Hicks indicated Mr. Wouldridge was a substitute for Mr. Lee. President Wexler inquired if the development team had been reviewed, and Mr. McMahon responded affirmatively and that they had the assets to move forward and also had a competent architectural team. President Wexler thanked the principals for appearing.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 25-78 authorizing the Executive Director to enter into a disposition agreement with Bahia Vista Homes, a limited partnership, and execute necessary conveyance instruments; approving minimum disposal price; and ratifying and confirming publication of a notice of public hearing; all in connection with the sale of Parcels Y-7 through Y-13 and Y-15, Hunters Point Approved Redevelopment Project Area A-5.

Mr. McMahon indicated that this proposal for for eleven units on eight parcels of four-bedroom, two-bath units. The disposition price is \$40,000 for the land of 29,034 square feet. Mr. McMahon indicated that Mr. Aaron Green came forward and indicated that the design was simple but provided spacious units as prepared for the Dukes & Dukes Associates. He indicated that he had developed the Master Plan for the Hunters Point project some years ago and enjoyed the opportunity to work in the community and that these particular units would consist of 1,800 square feet for the four-bedroom units with decks, two-car garages and a beautiful view of the City. Skylights will provide light over the central stairs and the second floor will have two bedrooms and two baths. The roof will be of asphalt shingles such as are used in other buildings in the area. Mr. Green indicated that the plan was an efficient one with a north-south orientation of dormer windows and of an architectural scale suitable for San Francisco. He indicated that Mr. Wiley Pierce was present if there were any questions.

NEW BUSINESS (continued)

Mr. Glickman asked if Mr. Green had worked in Hunters Point before, and Mr. Green indicated that he had been the planning consultant selected by the Agency and the community to work with them in developing the Master Plan seven years ago. He indicated that he had formulated the guidelines which became the basis for all housing in Hunters Point and was the designer of Sites 2 and 3. Mr. Glickman inquired if he had also worked in Marin County and Mr. Green responded that he had worked on the design of the Marin City Center and Marin City housing project.

President Wexler inquired if there were any cost projections, and Mr. Wiley Pierce, Senior Vice President of Bahia Vista Homes, came forward and indicated that the sales price of \$65,000 was not conclusive since no bids were in yet. President Wexler asked what other projects Mr. Pierce had been involved in and he responded that there were various projects which had been done by individuals in the team in the Stockton and San Bernardino areas with other redevelopment agencies. He indicated that the group was a general partnership. Ms. Berk inquired about the square footage of the units and Mr. Pierce replied it was 1,800. In response to President Wexler's question, Mr. McMahon indicated he was satisfied with the developer's financial capacity. President Wexler thanked the developer and his architect for their presentation. Mr. Glickman wished them success.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

Ms. Blomquist inquired if there were any remaining parcels, and Mr. McMahon indicated that there were two parcels available for development of three residential units in Phase I. President Wexler indicated that the proposals being considered today represented 72 out of 75, and Mr. McMahon answered affirmatively. President Wexler complimented the staff in moving the project forward and bringing into reality single-family, market-rate housing for the Hunters Point community.

(f) This item was considered earlier on the agenda.

(g) Resolution No. 20-78 approving Change Order No. 1 to Demolition and Site Clearance Contract No. 19, Hunters Point Approved Redevelopment Project Area.

This represents a \$6,444 change order to Demolition and Site Clearance Contract No. 19 in Hunters Point with Myron Demolition Company for a time extension of 180 days and clearance of three additional wartime barracks buildings.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

(h) Resolution No. 19-78 authorizing the Executive Director to enter into a rental agreement with the South Bay Commuter Corporation for the utilization of cleared agency land in the Yerba Buena Center Approved Redevelopment Project Area.

This represents a rental agreement with the South Bay Commuter Corporation for interim use of a 1,920 square-foot parcel in the block bounded by Third, Fourth, Folsom, and Harrison Streets in the Yerba Buena Center project, at

NEW BUSINESS (continued)

a monthly rental of \$25. South Bay will use the lot to park two buses used by Pacific Telephone & Telegraph and American Telephone & Telegraph Company employees for commuting, who are participating in an energy-conservation program.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (i) Resolution No. 21-78 authorizing payment of \$11,649.50 in settlement of claims of Willia Ballard and David Mischel for recovery of costs and loss of profits in connection with the award and subsequent rescission of rehabilitation contracts, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this represented a settlement of claims arising out of a contract rescission. On May 3, 1977 the Commissioners awarded rehabilitation contracts to Mr. Willie Ballard for the building located at 1207 Scott Street and to Mr. David Mischel for one located at 1211 Scott Street and on May 17, 1977 both contracts were rescinded. Subsequently two claims from Mr. Ballard for \$17,960 and \$11,477 and one claim from Mr. Mischel for \$18,419 were received and the Commissioners recommended that staff negotiate a settlement of the claims resulting in settlement for Mr. Ballard on 1207 Scott Street for \$5,687.50, which represented 7 percent of the actual bid amounts which is a reasonable recovery for costs and loss of profits. In addition it is recommended that a settlement of \$460 for 1917 Ellis was for out-of-pocket expenses incurred by the contractor in submitting his bid.

Ms. Blomquist inquired why Mr. Ballard should receive \$460 when that contract was bid but not awarded to him, and Mr. Leo Borregard, Agency General Counsel, responded that it was his understanding that Mr. Ballard was a minority contractor who had incurred expenses in preparing the bid for contracts which through no fault of his own was never awarded at the convenience of the Agency. Accordingly, staff recommended the \$460 settlement as a payment representing the cost of the bid. Ms. Blomquist expressed concern that a precedent would be set and noted that Mr. Ballard had done a great deal of work for the Agency before and that she believed the claim was inappropriate. Mr. Borregard indicated that there were principles of law on either side supporting this adjustment but because of the circumstances of termination of bidding staff believed that the contractor was entitled to some form of consideration of equity or reimbursement. Ms. Blomquist did not believe this was equitable and asked if this would set a precedent for reimbursing other contractors on this item. Ms. Borregard responded that he had no knowledge of who had presented claims.

Mr. Hamilton indicated that Mr. Ballard had been involved in other rehabilitation work for the Agency and was a minority contractor but not an affluent one.

President Wexler indicated his understanding that the Agency was drawing a distinction between a bid where the Agency decided that it no longer wished to go forward with consideration of the contract for rehabilitation

NEW BUSINESS (continued)

work as opposed to a situation where the Agency may reject all bids because it did not believe they were low enough, or where the Agency no longer wants to consider bids. Mr. Borregard agreed noting that these limited precedential application and the settlement was based upon the bid preparation cost.

ADOPTION: It was moved by Mr. Glickman and seconded by Ms. Shelley that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Berk
Mr. Glickman
Mr. Lee
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion carried.

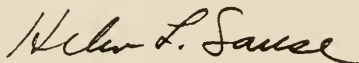
MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Glickman indicated that the Agency consistently uses the term "project" in dealing with Hunters Point and Western Addition A-2 and believed that in the development business "project" has an adverse connotation. He suggested changing the word to "development" or "area", and suggested "development area", instead of project. Mr. Hamilton indicated that he understood this was of concern but that the Agency was complying with language which is taken directly from the loan and grant contracts and the Department of Housing and Urban Development (HUD) requirements. Mr. Glickman indicated that the Agency is developing communities and neighborhoods rather than projects and that he believed that project had a pejorative definition. Mr. Hamilton indicated that the project referred to the legal description.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:35 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF FEBRUARY 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at Room 282, City Hall, in the City of San Francisco, California at 3:00 p.m. on the 9th day of February, 1978, the place, hour and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk
Dian Blomquist
Melvin D. Lee

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and the following were absent:

Joan-Marie Shelley, Vice President
Rubin Glickman
Dr. Hannibal A. Williams

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Rai Okomoto, Dr. Selina Bendix, Toby Rosenblatt, Susan Bierman, George Carey, Ian Dearman, Yoshio Nakashima and Charles Starbuck, Department of City Planning; Roger Boas, Chief Administrative Officer of the City and County of San Francisco; Robert Sullivan, San Francisco Convention and Visitors Bureau; Gigi Platt, Landmarks Preservation Board; Chester Hartman and Mike Davis, Mayor's Select Committee on Yerba Buena Center; Keith Davis and Leland Meyerzove, San Francisco Coalition; Piero Patri, Whisler/Patri, Architects; and William Shapiro, Paul Teak, Peter Mendelsohn, Mary Gain Erwin, and John D'Mott, interested citizens.

President Wexler announced that pursuant to the terms of the Joint Lead Agency Agreement, the Procedures Committee has met and has prepared its report recommending procedures to govern at this joint public hearing. The San Francisco Redevelopment Agency Commissioners have received this report and have reviewed it. He inquired if there was a motion that the San Francisco Redevelopment Agency adopt the recommended procedures set forth therein.

MOTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the San Francisco Redevelopment Agency accept the Procedures Committee report and adopt the procedures therein to govern the joint public hearing.

City Planning Commission Motion to Adopt the Procedures Committee Recommendation.

The President of the Planning Commission indicated that the Procedures Committee report concerning the procedures which are to govern at the joint public hearing recommended that the Chair for the joint public hearing shall alternate by session between the President of the San Francisco Redevelopment Agency and the President of the City Planning Commission. In accordance with the report and recommendation, which has been duly accepted and adopted by each body, the Chair for the first session of the hearing will be Mr. Howard Wexler, the President of the San Francisco Redevelopment Agency.

At this time, 3:30 p.m., Mr. Rubin Glickman arrived.

President Wexler indicated that the purpose of the joint public hearing is to receive public comment on the Draft Environmental Impact Report (EIR) on the Yerba Buena Center which was prepared by the City and County of San Francisco and the San Francisco Redevelopment Agency as joint lead agencies. The focus is on the EIR's discussion and analysis of the environmental considerations and effects of activities in connection with the Yerba Buena Center Redevelopment Project.

The purpose of the EIR process is to permit the public and the decision-makers to understand and analyze the environmental setting of a proposed development, to examine the various potential environmental impacts, and to review and consider any suggested alternatives and mitigation measures to lessen significant environmental effects. The information and analysis contained in the Draft Environmental Impact Report and the comments received in the public comment process will assist the decision-makers in evaluating the environmental effects and making ultimate decision on proposed development.

The first definitive action to be taken in connection with Yerba Buena Center arising out of this EIR process will be to consider proceeding with Yerba Buena Center redevelopment activities and approval of the proposed convention center. In this regard, the Draft EIR discusses the environmental impact of the convention center and provides a framework for identifying what other options would be foreclosed or limited by a decision to build the convention center.

It should be emphasized that the purpose of this joint public hearing is to ascertain whether the Draft Environmental Impact Report is an adequate document as required by applicable laws and ordinances; it is not the purpose of this hearing to examine the merits of Yerba Buena Center unrelated to environmental considerations.

The City and County of San Francisco and the San Francisco Redevelopment Agency have agreed to act as joint lead agencies, charged under the California Environmental Quality Act of 1970 with the principal responsibility for preparing and certifying the environmental documents and approving activities in connection with Yerba Buena Center. To implement and coordinate the responsibilities for the preparation, review, and certification of the Environmental Impact Report (EIR) as complete and in compliance with applicable legal requirements, the City and the Agency have entered into an agreement under which the City and Agency will act as joint lead agencies. In connection with this Environmental Impact Report for Yerba Buena Center, lead Agency decisions and actions will be undertaken by the City and the Agency acting jointly.

In this regard, the staffs of the San Francisco Redevelopment Agency and the Office of Environmental Review in the Department of City Planning have worked together with their consultants, Environmental Science Associates, for the past nine months to prepare the Draft Environmental Impact Report. In addition, this joint public hearing is a cooperative effort by both bodies. Upon completion of the EIR review process and after the preparation of the Final EIR, both the City and the Agency will certify that the document has been completed in compliance with state law and each body's applicable legal requirements and guidelines. Finally, should a decision thereafter be made to proceed with Yerba Buena Center development, each body will individually enact the necessary resolutions and ordinances to implement their joint decision to proceed with the Yerba Buena Center Redevelopment activities.

President Wexler indicated that the ground rules for the public hearing were as follows:

1. The entire Public Testimony Session will be taped and transcribed.

2. All members of the public who wish to speak shall fill in pre-printed cards.
3. Prepared statements will be logged in a format acceptable to SFRA and City Planning Commission. The entire prepared statement will be entered into the record; however, only significant environmental issues will be covered in responses.
4. All speakers identify themselves verbally and state whom they represent.
5. If a person is endorsing a previous position, he or she should so indicate.

At this point, Mr. Roger Boas, Chief Administrative Officer, requested as a matter of personal privilege the opportunity to address the joint Commissioners. He indicated that as the City's Administrative Officer he had been involved in development of the Yerba Buena Center exhibit hall and therefore he believed that he had a conflict of interest which precluded him from participating in a hearing on the project. Therefore, he requested and received permission to be excused from participating in the hearing as a voting member of the Planning Commission.

Thomas Conrad, Chief, Planning, Housing and Programming, introduced the Environmental Impact Report and indicated that an Environmental Impact Report is a detailed statement which sets forth the environmental effects and considerations pertaining to a proposed development. The Yerba Buena Center redevelopment area has already been the subject of one EIR in 1973. However, a number of significant events have occurred in the last five years. In November 1976 the voters of the City and County of San Francisco approved a declaration of policy that the City construct a convention center, including an exhibit hall, in the Yerba Buena Center. The site configuration and method of financing of the proposed convention center as approved by the City voters in November 1976 are different from those plans contemplated in the earlier McCue, Boone, Tomsick Architectural Design analyzed in the 1973 EIR. In addition, other proposed features and uses in connection with the Yerba Buena Center are likely to be reconsidered and may ultimately be changed. For these reasons, the San Francisco Department of City Planning and the San Francisco Redevelopment Agency have determined that a new EIR is needed for the proposed convention center and for the entire Yerba Buena Redevelopment Area. Thus, the EIR under consideration at this public hearing is a new EIR, and not a supplement to an earlier document.

The underlying activity or "project" analyzed in the Environmental Impact Report is (1) the proposed convention center discussed in the framework of four alternative plans and possible variants thereof, and (2) the possibility of an amendment to the Redevelopment Plan. The alternatives have been selected so as to present the ranges of potential impacts from various potential development proposals. Although the impetus for the present EIR is the proposed construction of the convention center, the scope of the EIR covers the entire Yerba Buena Center Redevelopment Project in which the convention center would be located. The City and the Agency have prepared the EIR in this manner because environmental review must cover an entire project, even when only a part of the project is proposed to be implemented in the immediate future. As such, the EIR serves to permit evaluation and assessment of the environmental impact of the convention center in light of the overall redevelopment activities. The information and analysis contained in the EIR will serve to assist the decision-makers in considering the proposed convention center and ultimately, in evaluating possible changes in the approved Redevelopment Plan.

The Draft EIR discusses the background for the convention center and provides a general description of the area in which this development would be located. The

document examines the environmental and includes an overview of such issues as housing, jobs, social characteristics, economics, traffic considerations, air quality, ecology, and historical aspects. The majority of the report is devoted to an analysis of the environmental impacts of the Yerba Buena Center and an assessment of various alternatives and mitigation measures to lessen the significant environmental effects. The Department of City Planning and the Agency Staff will continue to review information pertaining to Yerba Buena Center and will consider this data in their analysis and evaluation for the Final EIR.

Dr. Selina Bendix came forward to address the joint agencies and gave a brief overview of the four alternatives evaluated in the EIR. She commented on the significant impacts and mitigation measures as well as any changes which she believed related to the data and assumptions used in the Draft EIR. At this time, Mr. Conrad submitted the draft of the EIR as Exhibit No. 1 for the proceedings.

President Wexler indicated that speaker cards had been completed and turned in for a number of those in attendance and that speakers would be appearing in the order in which cards had been submitted. He noted that each speaker would be allowed ten minutes.

Mr. Boas came forward and commented on the thoroughness with which the EIR had been prepared and indicated that no effort had been spared to make it a complete document.

William Shapiro indicated that the voters had addressed this issue and he believed their votes mandated that the exhibit hall be placed entirely underground. He noted that the Mayor had also made this a commitment and urged that the exhibit hall be placed underground. Mr. Shapiro then referred to Section VII of the EIR, which addressed economic assessment of the project. He referred to pages 251 and 252 and urged that additional detail be included, which outlined use of the area above the exhibit hall. He believed that there was inadequate consideration given to the potential impact of the apparel mart and expressed concern that the effect of developing the exhibit hall on jobs, revenue and cost had not been thoroughly evaluated. Mr. Shapiro then called attention to Section VII, pages 388 and 390 which referred to HUD "threshold standards". He noted that these appeared to preclude residential use if this criteria was to be applied to housing. He requested that more consideration be given to elaborating residential uses in the project.

President Wexler indicated that Mr. Shapiro's comments on economic aspects of the project appeared to have significant implications. In response to President Wexler's inquiry, Mr. Conrad indicated that Mr. Shapiro's questions would be evaluated and a response prepared.

Dr. Bendix commented that an extensive economic analysis had been carried out and noted that the economic impact of the development on Brooks Hall and its annual loss of revenue had also been considered.

Mr. Boas came forward and indicated that detailed information was available, which would respond to Mr. Shapiro's inquiries. He noted as an example that Brooks Hall and other comparable exhibit halls throughout the United States operated at a deficit. He stressed that this anticipated loss had been considered in evaluating the exhibit hall and it is projected that a \$750,000 annual loss can be expected over a seven-year period. This money will not be allocated from general revenues, but will be paid from the hotel tax.

The next speaker was Mike Davis who noted that he had participated in the Mayor's Select Committee on Yerba Buena Center and that he was concerned about the quality of the historical background provided in the EIR. He also referred to page 10 of the report, which related to the fiscal impact of the project on the City and alleged that the total cost of the project was not completely reported. He was also concerned that the report did not fully project the potential increase of visitors to the city that a "theme park" above the exhibit hall could be expected to generate. Mr. Davis expressed concern that General Obligation Bonds were not being used to construct the exhibit hall. He referred to page 112 of the EIR and inquired what type of bonds were proposed to be used. He also referred to page 113 and noted that the economic support for the Center anticipated an increase in hotel taxes and consumer use, and he indicated that he believed more concrete information was needed to support this analysis. Mr. Davis requested that the report address the impact of the project on the South of Market community. He believed that the report was inadequate in that it cited the Redevelopment Agency Plan and the Master Plan for the City and presented four alternatives but did not present an analysis of a specific plan for the area.

Mr. Chester Hartman was the next speaker and summarized his comments by endorsing the points made by Mr. Davis and elaborated that he believed the project was a waste of money and could possibly be illegal. He believed that the report did not present an accurate economic picture of the impact of the project proposals, and was also an incomplete description of the impact of the project.

At this time, 4:40 p.m., Ms. Shelley arrived.

Mr. Hartman elaborated on his comments expressing concerns about the operating deficit after the fourth year of operation, use of hotel tax funds, the need to increase the hotel tax, alternative financing projections, increased social services required to serve additional visitors to the City. He believed that additional information should be provided on the job creation potential of the alternatives. He suggested that these matters could be the subject of litigation. Mr. Hartman also submitted a list of specific questions regarding the EIR.

President Wexler indicated he believed that it was premature to explore such issues during the EIR process.

Dr. Bendix concurred, noting that the alternatives evaluated were intended to provide information for measuring the impact of any final plan.

Paul Teak came forward and expressed concern about the consumption of gasoline. He urged there be no garages in the area.

Mr. Peter Mendelsohn came forward and endorsed the comments of the previous speaker and noted his support for building the exhibit hall. However, he urged that housing be a required use as well. He expressed concern about the introduction of additional automobiles into the area and the resultant odors and noise. Mr. Mendelsohn was concerned that the proposed subsidized housing now approved be deleted as a result of proposals to build market-rate housing. He also urged that more businesses be brought back into the area.

Mrs. Mary Gain Erwin urged that the City and the Agency begin building the project immediately. She noted her support for Alternate A in the impact report and stressed her belief that the project should begin immediately.

Ms. Gigi Platt of the Landmarks Preservation Board came forward and referred to pages 22, 67 and 213 concerning historical aspects of the area. She indicated her

belief that the history of the project had been presented in a superficial manner and requested that a more concise and complete historical statement be substituted. She noted that there was additional information on page 508 and believed that the section should be rewritten to incorporate an analysis of archeological findings. She also requested that the Landmarks Board be allowed to review and comment on this material. Ms. Platt expressed concern about preservation of such buildings as the P.G. & E. substation and the Mercantile Building. She believed that there should be a provision covering the retention of these buildings in the text of the EIR.

Robert Sullivan of the San Francisco Convention and Visitors Bureau expressed concern about the reference to jobs in San Francisco. He believed that the EIR should address the number of jobs that would be generated by the development of the exhibit hall. He expressed the support of the Convention and Visitors Bureau for the development and noted that he believed that the projections for the San Francisco facility were conservative because attendance at national conventions was increasing. Mr. Sullivan stressed his belief that a more thorough analysis of the economics would provide an even more positive financial projection for the exhibit hall.

President Wexler indicated that there would be a ten-minute recess. The meeting recessed at 4:50 p.m. and reconvened at 5:00 p.m.

John D'Mott came forward and expressed his belief that Howard Street should be closed to provide more open space in the project area.

Piero Patri, architect for renovation of the existing apparel mart, expressed his belief that the EIR was a well structured document but wished to have a point clarified. He was concerned about the proposal on page 249 which provided for two apparel marts in San Francisco. In Mr. Patri's opinion, this would not be a viable economic proposal.

Leland Meyerzove, of the San Francisco Coalition, expressed his support of a "theme park" in the project area. He indicated that he had always opposed the convention center and had supported construction of a sports arena in the project area.

Keith Davis, representing the San Francisco Coalition, urged that affirmative action requirements be met in any proposal to construct a "theme park".

President Wexler announced that at this time all of the speakers submitting "Speaker Request Cards" had had an opportunity to speak. He inquired if there were any others in the audience who wished to make comment.

President Wexler indicated that since it appears that there is no additional public testimony to be received on the Draft Environmental Impact Report for Yerba Buena Center, in accordance with the recommendations of the Procedures Committee, both the Agency and the City Planning Commission must jointly determine by majority vote to close public testimony on the Draft EIR.

MOTION: It was moved by Ms. Berk, seconded by Mr. Glickman, and unanimously carried that the public testimony portion of this joint public hearing be closed.

President Wexler indicated that additional public comment could be provided. A summary of the significant comments on environmental concerns, responses to those comments, and material produced in the continual review of the Draft EIR by the Department of City Planning and the Agency Staff will be recorded in the Final EIR. In accordance with the Procedures Committee's recommendations, although oral public

testimony is now closed, the public comment period on the Draft EIR will remain open for written comments until the end of the comment period for State agencies, which ends on February 25, 1978. Those individuals who wish to submit additional comments may direct them to:

The Office of Environmental Review
Department of City Planning
100 Larkin Street
San Francisco, California 94102

Attention: Dr. Selina Bendix

President Wexler stated that at this time the Commissioners of the San Francisco Redevelopment Agency and the City Planning Commission may discuss, question and comment on the EIR.

Ms. Sue Bierman expressed concerns about the validity of the EIR and indicated her concern that it was not well substantiated. She requested that staff provide her with the cost of extra Muni bus service and also the basis for vehicular traffic projections. Ms. Bierman also expressed concern about certain typographical errors. Staff noted that a further evaluation of the traffic ratios would be provided and typographical errors and inconsistencies would be corrected.

President Wexler expressed concern about the projected air pollution figures and noted that the Yerba Buena Center figures were compared to the pollution level at 939 Ellis Street. A staff member of the Environmental Science Associates noted that this base figure for 939 Ellis Street is related to the central monitoring station of the Air Pollution Control District at that location.

President Wexler indicated that since there did not appear to be any additional comments on this Draft Environmental Impact Report, in accordance with the recommendations of the Procedures Committee, both the Agency and the City Planning Commission must jointly determine by majority vote to adjourn this joint public hearing.

President Wexler stated that the San Francisco Planning Commission and Redevelopment Agency would meet to consider certification of the Final EIR as soon as practicable, after the public comment period on the Draft EIR has ended and after the staffs of the City and the Agency have had the opportunity to review and analyze the public and State agency comments and have prepared the Final EIR for consideration by the two bodies. The date, time, and place of the meeting for consideration by both bodies of certification of the Final EIR will be appropriately noticed by both the San Francisco Redevelopment Agency and the City Planning Commission.

There being no further business for this joint public hearing which has come to the attention of the Chair, in accordance with the recommendation of the Procedures Committee, he requested the President of the Planning Commission to take the necessary action for that body to adjourn this joint public hearing and the special meeting of that body.

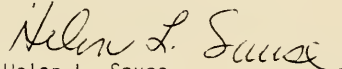
MOTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that the joint public hearing be adjourned.

President Wexler indicated that since the joint public hearing with the City Planning Commission has been adjourned and there are no additional items on the agenda, he would entertain a motion that this special meeting of the San Francisco Redevelopment Agency be adjourned.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that the special meeting of the San Francisco Redevelopment Agency be adjourned. The meeting was adjourned at 6:20 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF FEBRUARY, 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the First Union Baptist Church, Webster Street and Golden Gate Avenue, in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of February, 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

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and the following was absent:

Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Gene Stancil, Richard Harper, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Teall Henderson and Ted Frazier, San Francisco Coalition; Henry Gage, Albert's Patrol Service; William Shapiro, San Francisco Tomorrow; Edgar E. Baker and Reg Colley, West Coast Salesmen's Association; Bruce Owens, Sonnenblick Goldman; Lyman Jee and Henry Poy, Arcon/Pacific, Ltd; Robert Board and Ms. Shellman, Francisco Apparel Mart; Reverend Henry L. Davis and Mrs. Davis, First Baptist Church; and interested citizens.

Representing the press was Marshall Kilduff, San Francisco Chronicle.

President Wexler indicated that the Commissioners were pleased to take part in celebration of Black History Week in the Western Addition Community, particularly at the First Baptist Church, which was built under redevelopment auspices.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of the Regular Meeting of February 7, 1978, as distributed by mail to the Commissioners, be adopted.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) First, Mr. Hamilton welcomed all the members of the community to the meeting and expressed appreciation to those who had participated in Black History Week and to the church committee and staff who had helped with the refreshments and given their time and effort to make this occasion a pleasant one.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Mr. Hamilton indicated that he would waive the usual report and offer for consideration and adoption a resolution commemorating Black History Week, which he read as follows:

"Resolution No. 32-78 COMMEMORATING BLACK HISTORY WEEK

"WHEREAS, our nation is now in the midst of celebrating Black History Week; and

"WHEREAS, our nation has been enriched and ennobled by the contributions of Black Americans from our country's beginnings; and

"WHEREAS, these contributions have often been overlooked, neglected, minimized, and even maligned; and

"WHEREAS, the success of all of the Redevelopment Agency's developments, particularly the New Western Addition and the New Hunters Point, depend upon the vital and continuing contributions of Black Americans; and

"WHEREAS, the Redevelopment Agency has recognized Black contributions to the nation by memorializing more than 30 Black Americans through the naming of new streets, parks, schools, and housing; now therefore, be it

"RESOLVED that the San Francisco Redevelopment Agency salute the achievements of Black Americans everywhere, particularly the accomplishments of its friends in the New Western Addition and the New Hunters Point, without whose partnership progress toward a better life for all could not be realized."

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

President Wexler indicated that he was pleased to apprise those present that Dr. Williams was released from the hospital and hoped that he would soon be able to join the Commissioners.

NEW BUSINESS

- (a) Resolution No. 13-78 authorizing the Executive Director to enter into a contract with the Western Addition Project Area Committee for citizen participation in the Western Addition Approved Redevelopment Project Area A-2.

This represents a ten-and-a-half months' contract with the Western Addition Project Area Committee (WAPAC) to continue staffing of the community's official review organization. The contract also provides for two additional personnel, one Clerk-Typist and one Planning and Business Consultant, who will assist WAPAC in evaluating increasingly complex development proposals, such as the Fillmore Center Economic Development Corporation activities. The agreement also includes salary increases comparable to those of Agency staff with a five percent increase for administrative costs and 23 percent increase for travel with the proviso that it be expended for items related to housing and community development. The total contract amount is \$160,558.92. Mr. Hamilton indicated that this item was held over pending review of new language proposed by legal staff.

NEW BUSINESS (continued)

Ms. Shelley inquired if there were any substantial changes from those which the Commissioners had seen several weeks ago, and Mr. Hamilton responded negatively. He indicated that the word "Chairman" had been changed to "Chairperson" and changes relating to travel which requires the Agency Executive Director's approval of travel with respect to eligibility.

Mr. Arnold Townsend of WAPAC came forward and indicated that he would comment on several issues that Mrs. Mary Rogers wished to bring to the Commissioners' attention because she was unable to be present. On the question of the travel section of the contract, he believed that the Executive Director should not approve individual travel and urged that the contract language specify only that travel for housing-related matters be eligible. In terms of budget amount, Mr. Townsend indicated that every year WAPAC and Agency staff are never in agreement. This year, however, there was only a \$4,000 difference. This amount would provide for a newsletter which WAPAC believes is needed and has allocated a CETA position to coordinate. He indicated the newsletter had been deleted from the budget in previous years and he believed that WAPAC needed it to let people know the many activities of interest to the community. He cited, for example, the work that WAPAC accomplished in connection with the John Swett School Community Facility and noted that WAPAC was particularly instrumental in obtaining this facility, which will contain a child care center, a room for senior citizens, and a gymnasium. He also believed the so-called "sweat equity" program should be publicized as well as WAPAC's affirmative action program. In his opinion \$4,000 for the newsletter was a reasonable amount for one year. He also believed that there had been some unnecessary questioning of the contract language by the Agency staff.

Ms. Shelley referred to the document before the Commissioners and inquired if it represented an agreement between the Executive Directors of both WAPAC and the Agency. Mr. Townsend answered affirmatively, noting that WAPAC still opposed the language regarding travel approval but that he would accept it.

In connection with the travel language issue, Mr. Hamilton indicated that basically the language in the WAPAC agreement requires travel to be approved with respect to eligibility which is in accordance with the Agency's responsibility for administering public funds. Mr. Hamilton indicated that he would only determine eligibility of travel and WAPAC will determine who will attend conferences. In regard to the newsletter, Mr. Hamilton indicated that it had been a negotiating issue for a number of years and was included some years ago in the contract but only one issue had been published. Mr. Hamilton recommended that it did not need to be a specific item in the budget since there were sufficient funds allowed in contingencies if WAPAC prepared to use a newsletter as a tool of communication. He indicated that when a different approach is recommended, the staff will consider it.

President Wexler indicated that this discussion showed why time was needed for the contract negotiating process but Mr. Townsend responded that these issues were identified three weeks earlier and they were not the reason the item was put over for two weeks.

Ms. Blomquist indicated that with this increased budget she hoped WAPAC would assume more responsibility to make certain the Agency moves ahead

NEW BUSINESS (continued)

faster on the Fillmore Center.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 29-78 authorizing amendment to a contract for security guard services in connection with property management activities in the Western Addition Approved Redevelopment Project Area A-2.

This concerns authorization of an amendment to the contract with the security guard firm of Albert's Patrol for an additional 8,000 hours service on an "as needed" basis at \$5.14 per hour. This will provide extra unanticipated guard service during house moves, increased rehabilitation of structures, and for an additional number of buildings requiring special security. Ms. Blomquist inquired if the excess hours had been used up, and Mr. Hamilton replied that approximately 2,600 hours remained and they were being used up. Ms. Blomquist inquired if this was by virtue of those activities at 1869 Buchanan Street, and Mr. Hamilton responded that that exemplified the type of extra security needed.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 18-78 approving agreement for acquisition appraisal services by and between William A. Welch, real estate appraiser, and the San Francisco Redevelopment Agency, in the Western Addition Area A-2 and India Basin Industrial Park Approved Redevelopment Projects.

This represents an appraisal contract with Mr. William A. Welch for appraisal of the three remaining properties in India Basin Industrial Park and preparation of new appraisals on parcels still to be acquired and rehabilitated in Western Addition Area A-2, on an "as needed" basis. Maximum compensation of \$10,000 for appraisals, plus \$200 per day for expert witness fees, if needed.

Ms. Blomquist indicated her understanding that there were already two appraisal firms under contract: Haley-Leslie Appraisal Company and Floyd Clevenger Company. Mr. Hamilton answered affirmatively and noted that two appraisals are required for each property and since the contracts all provide for payment only for appraisals performed, better service would be provided at no greater expenditure of funds. Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development, reaffirmed that this would provide a third firm, and Ms. Blomquist asked why he believed it was necessary to have three firms. Mr. McMahon explained that the Agency needed to have maximum flexibility in complex assignments which could not be scheduled in advance and some of the firms cannot respond as quickly as necessary. He noted that the contract was on an "as needed" basis and would not be expended if it was not used. Ms. Blomquist asked what the balance was remaining in the present contracts and Mr. McMahon responded that one was approximately \$15,700 and the other \$15,500. Ms. Blomquist asked if this would add another \$10,000 to the appraisal costs and Mr. McMahon noted that they would only be expended on an "as needed" basis. She asked how much per year was required, and Mr. McMahon responded that the amount varied depending upon the buildings. In response to Ms. Blomquist's question, he

NEW BUSINESS (continued)

estimated that an appraisal upon the buildings could be estimated to cost \$550 or \$600 but that the size of the building and complexity of the work required determined the cost. He noted that these appraisals were for properties whose owners did not wish to rehabilitate and presently the Agency is moving forward with five acquisitions for rehabilitation. Ms. Blomquist asked if the cost of the appraisals was set aside in the budget and Mr. McMahon answered affirmatively. Ms. Blomquist asked if it would take a long time to use up \$30,000 and Mr. Hamilton indicated that the funds were available in the real estate budget and if not needed would not be expended. The need for acquisition would determine how rapidly the funds were used.

ADOPTION: It was moved by Mr. Lee and seconded by Mr. Glickman that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Berk
Mr. Glickman
Mr. Lee
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion carried.

President Wexler indicated that as a matter of personal privilege on the next item before the Commissioners that since it was possible that the two limited partners, Pacific National Equity, Messrs. Hamburg Tang and John McConaughy, were clients of his law firm this may be viewed as a potential conflict of interest, and although his firm may no longer be representing them, until the question was assured he would not participate in consideration of the next item. President Wexler turned the Chair over to Acting President Shelley and left the podium.

- (d) Resolution No. 31-78 ratifying action of the Executive Director in executing an agreement, dated February 7, 1978, and any others provided for therein, on behalf of the Agency with Arcon/Pacific, Ltd., and others, relating to the settlement of disputes and modifications of two existing land disposition agreements, and resolution of the entire Agency relationship with Arcon/Pacific, Ltd., concerning the Central Blocks in the Yerba Buena Center Approved Redevelopment Project Area D-1.

Mr. Hamilton indicated that this was the matter concerning an agreement between Arcon/Pacific, Ltd. and the Agency which has been concurred in by the Mayor's Office, Chief Administrative Officer Roger Boas, and the counsels representing the Agency and Arcon/Pacific, Ltd. Mr. Hamilton indicated that negotiations have been going on for some time on the question of a settlement of issues arising out of the new planning objectives for Yerba Buena Center. A copy of the agreement had been forwarded to the Commissioners. Mr. Hamilton indicated that the City and Agency would make their "best

NEW BUSINESS (continued)

efforts" to effect a plan change to permit construction of a hotel in Block 3706 are that Arcon/Pacific shall have nine months after the exhibit hall starts to present evidence of its financing. If the Agency does offer a site for hotel construction in Yerba Buena Center, it shall first be offered to Arcon/Pacific with a 60-day period for acceptance. Such priority shall be operative for two years from the start of construction of the exhibit hall or by July 1, 1981, whichever date comes earlier. The date for evidence of financing on the apparel mart is extended to June 1, 1978. The date for evidence of financing on the Market Street Tower is extended to August 1, 1978 with no 60-day default cure period. Arcon/Pacific will retain the right to develop office towers 2 and 3 conditioned upon successful performance on the Market Street Tower. Arcon/Pacific can request, without staff recommendation either way, from the Agency Commissioners' short periods of extension on the Apparel Mart or Market Street Tower. Arcon/Pacific waives any right to encumber and enjoin any site in Yerba Buena Center except for those claims which may arise from this new agreement. Arcon/Pacific also waives the right to sue for any monetary claims for all sites in Yerba Buena Center, except the site of the sports arena. This means that Arcon/Pacific will not bring any suit or action that in any way prevents or clouds or affects the sale of bonds for the Exhibit Hall, and in fact will be completely cooperative and supportive of construction of the Exhibit Hall. Arcon/Pacific accepts the sum of \$100,000 from the City to satisfy Arcon/Pacific claims for monetary damage it sustained on Site #4. Mr. Hamilton indicated that the above essentially summarizes the terms of the new agreement, and he recommended approval of that agreement.

Acting President Shelley inquired if there were substantive changes in the final agreement received by the Commissioners today from the draft copy of last week, and Mr. Hamilton answered negatively. He indicated that Agency General Counsel Leo E. Borregard had primarily refined the language relating to property descriptions.

Mr. Lee inquired if representatives of Arcon/Pacific, Ltd. read and agreed to the terms of the agreement, and Mr. Lyman Jee of Arcon/Pacific responded that he had signed the agreement and was aware of its terms. He indicated that Mr. Henry Poy, his attorney, had worked with the staff on all aspects of the matter and that they had been treated courteously by the Agency staff during the negotiating process but he could not say as much for representatives of the City. Acting President Shelley congratulated everyone on their negotiating skills and diligence.

Mr. William Shapiro, representing San Francisco Tomorrow, came forward and indicated that this had been discussed by the Agency for years and he believed this did not represent real progress but at least established deadlines for clearing a few of the sites which could make it possible to begin and for jobs to be developed. Mr. Shapiro asked about Mr. Jee's progress and indicated that in all the time he had had the development rights to the sites he had not obtained any building permits or financing. He believed that Mr. Jee should be closely monitored on his progress. He indicated that the project was not a private matter but a public one. San Francisco Tomorrow desired that the matters be scrutinized closely so

NEW BUSINESS (continued)

that there will be no more delays and that if no real progress is achieved in the next six months, he urged that the Agency return to the plans proposed for the sites by the citizens. Acting President Shelley indicated that the Agency would be monitoring the progress as the project moves forward.

Ms. Berk inquired if Mr. Jee had any commitments at this time, and Mr. Jee responded that he had anticipated Mr. Shapiro's questions and that Mr. Bruce Owens of Sonneblick Goldman would respond. Mr. Owens introduced Messrs. Reg Colley and Edgar Baker of the West Coast Salesmen's Association and indicated that they were now in charge of their organization for the Apparel Mart. Mr. Owens indicated that for the past four to five months negotiations have been going on with lending institutions for financing and last month a letter of intent for a conditional commitment from a pension fund had been obtained which will provide funding before the due date. This commitment is for sufficient money to complete the Apparel Mart. Mr. Owens indicated that presently details are being worked out and will be completed during early March.

Mr. Robert Board came forward and identified himself as an employee of Apparel Mart located at 821 Market Street. He expressed concern that another apparel mart was being proposed when there was already one in operation and he did not believe that Mr. Jee's Apparel Mart could be financially secure since 213 of the tenants at 821 Market Street had just signed five-year leases. This represented such a large percentage of potential tenants who would not be going into Mr. Jee's Apparel Mart that he did not believe it could be filled.

Mr. Glickman indicated that the Agency has made a commitment to Mr. Jee to permit him the opportunity to build the Apparel Mart and the people providing financing would be the ones to determine if the project is financially sound. He indicated that he understood the concern about the new Apparel Mart becoming a "white elephant" but he believed the Agency had an obligation to its developer to support his efforts to develop this site and had reaffirmed this in its agreement with Mr. Jee. He indicated that the fact there was another competitor had nothing to do with giving Mr. Jee development rights to the land. If the apparel industry does not commit to Mr. Jee then he will not build the Apparel Mart. Mr. Board expressed concern that if the mart were split it could destroy the industry. Ms. Shellman of the 821 Market Street mart indicated she was marketing director of the Apparel Mart and commented that if no one signed the letters of intent then there could be no commitment for tenants to move into the building and it appeared the lenders would not make the loan and the building could not be constructed. Mr. Glickman again commented that it was a decision to be made in the open market by competition and that this had no bearing on the Commissioners' decision.

Mr. Hamilton indicated that for the record, the action taken by the Commissioners would render moot any letters of default issued during the previous week to Arcon/Pacific, Ltd.

ADOPTION: It was moved by Ms. Berk and seconded by Mr. Lee that this resolution be adopted, and on roll call the following voted "Aye":

NEW BUSINESS (continued)

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Ms. Shelley

and the following voted "Nay":

None

and the following abstained:

None

The Acting President thereupon declared that the motion carried.

Acting President Shelley turned the Chair back to President Wexler. President Wexler returned to the podium and resumed the Chair.

- (e) Resolution No. 30-78 approving a work order for fire inspection services for the period February 15, 1978 to February 15, 1980 for all approved redevelopment project areas.

This represents a work order for an amount not to exceed \$7,000 for fire inspection services for a two-year period. The City fire inspectors continue to work with City inspectors from the Bureau of Building Inspection and Agency inspectors as a team to evaluate all structures to be retained and rehabilitated. Such inspections are required by HUD and the Agency has found that this method of using the expertise of City inspectors eliminates discrepancies in these inspections. Ms. Blomquist inquired if these services could be performed by anyone in the private sector and Mr. Hamilton replied that this was possible but since the City ordinances are part of the standards used for such inspection it is more expedient to use the City inspectors for these services which ultimately must be agreed to by the City.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 27-78 approving an interdepartmental work order for building inspection services to undertake rehabilitation feasibility studies in a portion of the Bayview-North Survey Area.

This item concerns a work order for building inspection services with the City's Department of Public Works not to exceed \$5,000 for interior and exterior inspection of structures in the five-block area which was added to the Bayview North Project Survey Area. This work is to be completed within ninety days.

Mr. Lee indicated he would move adoption but suggested that the Bureau of Building Inspection rotate its inspectors in the future so that different inspectors are used and also to assure quality control of the work. He

NEW BUSINESS (continued)

indicated that the inspections performed in the Chinatown II survey area had had many discrepancies and he would like a reevaluation of the inspectors used and also close review of their work. Mr. Hamilton indicated he was not certain about the particular inspections referred to by Mr. Lee but the matter would be looked into carefully. He indicated that the question of personnel deployment would be explored with the City regarding work orders and that the Agency would express its preferences to the City. Mr. Lee indicated that it appeared the City always used the same inspector and he questioned the quality of his work. Ms. Blomquist concurred with the views of Mr. Lee. President Wexler inquired if Mr. Lee would like to put his request in the form of a motion after voting on this resolution to make a request to the City that it have a rotating inspector, and Mr. Lee responded affirmatively.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

MOTION: It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that in the future the Agency request that the Bureau of Building Inspection rotate its inspectors in connection with work orders requested by the Agency from the Department of Public Works or the Bureau of Building Inspection.

President Wexler indicated his understanding that a request for personnel rotation was the limit of the Agency's authority on the matter, and Assistant Agency Counsel Richard Thomas indicated that this was his understanding also.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,



Helen L. Sause
Agency Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST OF FEBRUARY, 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 21st day of February, 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

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and the following was absent:

Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Gene Stancil, Western Addition Project Area Committee (WAPAC); Ted Frazier, Teall Henderson and Willie Kelley, San Francisco Coalition; Paul Sack, Namiki & Associates; Bobby Sisk, Bethel A.M.E. Church; and Roslyn Baltimore, R. C. Baltimore Company.

President Wexler indicated that there were no minutes to approve, and there was no Report of the Executive Director, and no Special Appearances on this week's agenda.

NEW BUSINESS

- (a) Consideration of Fire, Vandalism and Extended Coverage Insurance on Buildings to be Rehabilitated in Western Addition Approved Project Area A-2.

Mr. Hamilton indicated that the proposed insurance coverage concerned twenty buildings to be rehabilitated which had a total value of \$1.6 million. He recommended award to Dinner Levison Co. for all of the buildings except 1961-69 and 1979-81 Sutter Street and that these buildings be covered by the Baker Insurance Co. The costs aggregate a total amount of \$10,400 and Dinner Levison has advised staff that there could be a five percent increase in its premium, amounting to \$212.50 and therefore the total authorization of the Commissioners is recommended in the amount of \$10,612.50.

MOTION: It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried, that insurance policies be placed with Dinner Levison Co. in an amount not to exceed \$8,425.50 and with Baker Insurance Co. for \$2,187 for buildings to be rehabilitated in Western Addition Area A-2.

President Wexler indicated that as a matter of personal privilege on the next item before the Commissioners which affected a development of Namiki & Associates, he would not participate since they were clients of his law firm, Feldman, Waldman and Kline. President Wexler turned the Chair over to Acting President Shelley and left the podium.

- (b) Resolution No. 34-78 Modifying Off-Street Parking Requirements of the Redevelopment Plan for Western Addition Redevelopment Project Area A-2 pertaining specifically to a Portion of Block 676 (Parcel C-(1)), Sutter Street between Laguna and Buchanan Streets.

Mr. Hamilton indicated that his remarks would apply to the variances requested by items 9(b) and 9(c). He noted that as a result of extensive studies it has been determined that the parking requirements for subsidized housing were less than those for market rate units. This is particularly true of elderly housing. Therefore, it is recommended that the off-street parking requirements of the Redevelopment Plan with respect to Fellowship Manor, a 106-unit elderly housing development located at the southwest corner of Golden Gate Avenue and Webster Street, be decreased and also that the open space requirements be modified to enable the sponsor, Bethel A.M.E. Church, to provide more suitable amenities for the residents. The proposed modification to the parking requirements of the A-2 Redevelopment Plan also is recommended for the 34 unit elderly housing project sponsored by Namiki & Associates. In the case of Fellowship Manor, 21 parking spaces would be provided rather than the required 53 and for the Namiki development, 8 spaces would be provided instead of 17.

MOTION: It was moved by Ms. Blomquist that this resolution be adopted.

Acting President Shelley indicated comments would be heard from those present.

Mrs. Mary Rogers came forward and expressed concern that, at the projected monthly rent for a one-bedroom apartment of \$421.00, she believed that the future occupants of the project were entitled to more parking spaces than the eight proposed. She noted that she had consistently opposed any modification of parking requirements. Mr. Glickman indicated that this housing was being subsidized under Section 8 and the tenants would not be paying the rents set by HUD as market rate. He also noted that low-income, elderly and handicapped tenants would not own as many cars and that experience had verified this assumption.

In response to Mr. Glickman's inquiry, Mrs. Rogers indicated that she was concerned about the lack of parking in the area.

Ms. Blomquist inquired about the necessity for the variances and Mr. Hamilton indicated that the developments were predicated on the lesser parking needs and if the additional parking had to be provided the cost could make the project infeasible. Ms. Blomquist asked why the rents were set at \$421 per month for a one-bedroom unit and noted that she believed this would represent a hardship to the elderly and handicapped people for whom the housing was being provided. Mr. Hamilton indicated that this was the rental rate established by the Department of Housing and Urban Development (HUD) and in order to make this Section 8 project feasible, this was a figure which had been used in computing the taxes, operating costs and amortizing the mortgage, and that the low-income tenants would have to pay only 25 percent of their income for rent.

Ms. Blomquist expressed her belief that the rental rate for a one-bedroom apartment in the City was \$285 and she believed that an additional \$150 above that did not make sense. Mr. Glickman noted that new construction costs are extremely high and that \$421 was realistic relative to the cost of construction, management costs, and the need to amortize the loan. Ms. Blomquist cited the development at Eddy and Franklin Streets and noted that rents for a one-bedroom were under \$300 per month. Mrs. Rogers again expressed concern about the rental rates being inflated and causing increases throughout the City. Ms. Blomquist withdrew her motion.

Mr. Arnold Townsend of WAPAC indicated that when the Namiki development was considered by his organization, concern had been expressed that the high rents would escalate other rents in the area. He believed that other developers were able to provide market-rate non-subsidized housing at \$100 less per month. Mr. Townsend indicated that there had been a meeting last Wednesday with HUD to try and decrease the rents. He also expressed concern that there were too many senior citizen units being built in the area and suggested that the Agency was creating a senior-citizen's ghetto. He believed that construction costs were also much higher in the Western Addition than in Hunters Point.

Acting President Shelley asked Mr. Hamilton to comment on the concerns expressed and also asked whether the Commissioners would have another opportunity to consider the matter. Mr. Hamilton indicated that there would be no other matters on these developments to be considered by the Commissioners and that the rental rates established by HUD had been deemed appropriate for the area.

The housing consultant for Namiki Associates, Mr. Paul Sack, came forward to address the Commissioners, stressing that the \$421 per month rental was only a mathematical computation of rents necessary to cover taxes on the building, operating costs, and to pay the debt services to HUD. He reiterated that the tenants would be required

to pay only 25% of their income in rent. He noted that the tenants would be poor, elderly and handicapped people who, on the basis of experience, will not have the need for individual parking spaces. Mr. Sack noted that this was the issue before the Commissioners and requested that they approve the variance.

Mr. Sack commented on the concerns expressed by Ms. Blomquist and noted that on the question of economics, there is a less than five percent return on the equity capital and that the taxes and building costs in San Francisco were extremely high and many subsidized projects in the United States were failing because rental rates had not been sufficiently high to service the mortgages. His company had committed an investment of \$50,000 based on commitments made by the San Francisco Redevelopment Agency and HUD. He was now concerned about comments made by WAPAC that there was no need for housing for the elderly in the area. He noted that recently there had been a program on television which clearly showed the great need for housing for the elderly in San Francisco. This site was chosen for such housing some time previously and he believed it was capricious to question its validity at this time. He believed the question was only whether to provide additional parking and the rents were set by HUD to make the project feasible. He noted that he was involved in the management of 1,000 housing units and had a Ph.D. in Economics which he believed placed him in a position to know about the housing market. He stressed his belief that the rents set by HUD in these subsidized units had no relation to the market which established rents based on supply and that landlords will charge as much as they can get. Mr. Sack noted that there was a development across the street from the proposed units which had a negative cash flow and the landlord was forced to pay \$1,000 per month from his own pocket because he could not charge rents adequate to support the development. Ms. Blomquist inquired if Namiki Associated anticipated realizing a profit and Mr. Sack noted that the rental figure of \$421 was necessary to pay the expenses of operating the property and pay the investors a five percent return on their investment, and that number is necessary to make it possible to operate this project for the elderly and handicapped.

Ms. Blomquist indicated her belief that the profit could be decreased to provide parking and asked what the current rental rate for one-bedroom units in the area was, and Mr. Gene Suttle, Area Director, Western Addition Area A-2, replied that it was between \$300 and \$325. Mr. Sack indicated that he would go over the costs with the Commissioners if they wished and Mr. Glickman inquired if it was correct that construction for the elderly and handicapped is more costly. Mr. Sack replied that there were additional costs for such units such as the alarm system, entrances and ramps for wheelchairs and specially designed cabinets, but these did not make a significant difference. Mr. Glickman asked if HUD required a developer to verify the construction costs and Mr. Sack answered affirmatively and noted that it was a felony to misrepresent costs.

Mr. Lee inquired if the rent of \$421 per month is predicated on obtaining the parking variance and Mr. Sack answered affirmatively and indicated that the project has been out to bid. If the company had to redesign the building and do new working drawings, five months' time would be lost and there would be a cost escalation of one percent per month. Mr. Lee asked the consequences of not obtaining the variance and Mr. Sack indicated that

NEW BUSINESS (continued)

Namiki Associates might have to abandon the project which was started over two years ago and had been submitted to HUD in December of 1976. In the fall of 1977 they got the approval and started the working drawings and if the project was abandoned, it would deprive the elderly people of San Francisco of 34 subsidized housing units as well as a loss of jobs.

Mr. Glickman inquired if the variance were not granted whether it would affect the rents and Mr. Sack indicated that the cost of each parking stall would be \$4,000 plus an 8-months' price escalation at the rate of one percent per month which would have to be amortized by additional rents.

In response to Mr. Lee's inquiry, Mr. Sack indicated that the developer was requesting the decrease in parking spaces because the 34 tenants are low-income elderly and handicapped who would be paying a rental of \$50-\$100 per month. He noted that if the full amount of parking spaces is required, it would be difficult to provide a large recreation room in the building which would provide a space for a library, card tables and television viewing.

Ms. Blomquist asked Mr. Edmund Ong, Chief of Architecture, if the Agency used \$20,000 to \$25,000 as an estimating unit price and Mr. Ong indicated that the price depended upon the type of construction proposed and the amenities being provided. Ms. Blomquist asked if \$25,000 would be adequate to provide a one-bedroom unit with no other facilities and Mr. Ong expressed the belief that this would provide for a wood-frame building using minimum construction. Mr. Sack added that when a building goes over two stories costs increase because it is necessary to install additional items such as fire sprinklers and elevator. Mr. Lee concurred that higher construction added to construction costs and Mr. Sack indicated that the units in this development averaged \$32,800 each. He added that building a project under HUD requirements was more costly and noted that this development was to be built on filled land and HUD required increased supports.

Acting President Shelley asked if there were any other questions. Mrs. Rogers inquired if there were any units for the blind and Mr. Townsend asked how many units for handicapped people were provided. Mr. Sack replied that there were three for the handicapped and the remainder were for the elderly.

Acting President Shelley thanked Mr. Sack for his presentation and asked Mr. Hamilton to comment on the conflicting statements about the development and the consequences the parking variance might have.

Mr. Hamilton indicated this particular development had been reevaluated as part of the on-going review of the project and staff believes it is consistent with the objectives for the area. This is a smaller project than some and therefore more viable as management responsibility to meet the needs of the elderly and handicapped

MOTION: It was moved by Mr. Glickman, seconded by Mr. Lee that the resolution be adopted.

Mr. Arnold Townsend again expressed concern that this particular area was

NEW BUSINESS (continued)

inundated with housing for the elderly and he felt that additional family housing should be provided. He believed that at present the housing demand in the Western Addition exceeded the supply and this resulted in exorbitant rents. In response to Mrs. Roger's inquiry, Mr. Suttle indicated that this site had come before the Commissioners for disposition approval on August 31, 1976. Mr. Glickman expressed his belief that it would be disastrous at this point to stop a developer who has expended sufficient money to begin the project. He also noted that the Planning Commission had thoroughly reviewed and approved the parking variance without any objection being expressed.

MOTION: It was moved by Mr. Glickman, seconded by Mr. Lee that the resolution be adopted and on roll call the following voted "Aye":

Mr. Glickman
Mr. Lee
Ms. Shelley
Ms. Berk

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

Acting President Shelley declared that the motion carried.

Ms. Blomquist expressed opposition to the variance because she believed funds were available to provide parking.

President Wexler returned to the podium and resumed the Chair.

- (c) Resolution No. 36-78 Modifying off-street parking requirements of the Redevelopment Plan for Western Addition Project Area A-2 pertaining specifically to a portion of Block 773 (parcel 773-B) southwest corner of Webster Street and Golden Gate Avenue.

Mr. Hamilton indicated that this matter concerned the modification of off-street parking and open space requirements of the Redevelopment Plan with respect to the 106-unit elderly development, Fellowship Manor. He again noted that studies substantiated the validity of decreasing parking. This variance also decreased the open space requirements and permits substitution of a community room which better serves the residents of the housing development and will enable the redeveloper to provide additional amenities in the housing development. He recommended that the Commissioners approve decrease of the required 53 spaces of offstreet parking to 21 and the open space requirements from 10,650 square feet to 7,000 square feet. President Wexler asked if there were any questions. Ms. Blomquist asked if WAPAC were aware of the rents and Mrs. Rogers again expressed her objections to any decrease in parking spaces and noted that she believed rents were more reasonable in this development. Ms. Roslyn Baltimore, consultant, of R. C.

NEW BUSINESS (continued)

Baltimore Company came forward and indicated that the rent for a studio apartment in the development was \$353 per month.

Mr. Arnold Townsend noted that because of the Federal programs being used on this development there was an inclusion of an additional \$31 per month which provided one meal a day and increased the real rental figure to \$383 per month. He expressed concern that the Agency might create a community where housing is subsidized or for the well-to-do and there is no place for the middle class to go. He believed that the rents were extremely high for subsidized housing and urged the Agency to scrutinize this aspect of developments more thoroughly and not consider just the financial investment of developers.

President Wexler inquired if the daily meal is a requirement and Ms. Baltimore indicated that it is a requirement and it was also being considered whether two additional small meals could be provided for the same cost. President Wexler inquired if meals were actually needed and Mr. Hamilton replied that experience with meal programs for the elderly suggest a program of one meal a day is extremely beneficial to ensure minimum standards of nutrition.

MOTION: It was moved by Mr. Glickman, seconded by Ms. Berk that the resolution be adopted and on roll call the following voted "Aye":

Mr. Glickman
Mr. Lee
Ms. Berk
Ms. Shelley
President Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

President Wexler declared that the motion carried.

Ms. Blomquist again noted that she believed there were sufficient funds to provide parking.

- (d) Resolution 36-78 Selecting the First Enterprise Bank as the depository for CETA funds and authorizing certain personnel to administer same.

This matter represents a recommendation that a separate bank account be established for funds for Concentrated Employment Training Act (CETA) employees. In accordance with advice from the Mayor's Office of Manpower a separate account is not required. However, as a result of recent questions about administration of the funds it is now believed to be advisable to set up such an account. Mr. Hamilton indicated that the First Enterprise

NEW BUSINESS (continued)

Bank, the only minority bank in the area, had been selected to act as depository for the CETA funds and that the check signers would be the same personnel as are authorized to sign on other Agency accounts.

MOTION: It was moved by Ms. Blomquist, seconded by Mr. Lee and unanimously carried that the resolution be adopted.

- (e) Resolution 33-78 Travel authorization, Lee Cayton, Supervisor, Housing Management, to Houston, Texas.

Mr. Hamilton requested approval of the travel expenses of Ms. Cayton to attend a NAHRO workshop in Houston, Texas, concerned with the issues of maintenance, production, financing, and management of assisted housing. Registration and related expenses for Ms. Cayton would include \$95 air fare and approximately \$600 expenses and approval was sought for a total of \$695.

MOTION: It was moved by Ms. Shelley and seconded by Mr. Glickman and unanimously carried that the total of \$695 travel expenses for Ms. Cayton be approved.

MATTERS NOT APPEARING ON AGENDA

- (a) President Wexler asked if there were any further matters for discussion. Mrs. Mary Rogers requested the Commissioners to place the matter of escalation of rents on a future Agency Agenda so it could be ascertained what the effect of this escalation has on the entire area. President Wexler asked Mrs. Rogers if she had discussed this matter with staff and Mr. Hamilton suggested that WAPAC and the Agency staff discuss the matter and at a future meeting calendar it for consideration of the Commissioners. He noted that he would have Mr. Earl Mills, Executive Deputy Director for Community Services, begin these discussions. President Wexler noted that the Commissioners needed to have all the information that WAPAC and staff can produce in their discussions prior to considering the issue as an agenda item.

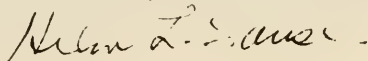
President Wexler asked if there were any further comments. Mr. Townsend said he wished to point out that in the market-rate housing in Hunters Point was costing \$48,923 for a 1,492 square-foot house; a 1,536 square-foot house cost \$49,213 and a 1,820 square-foot house cost \$59,678 whereas Mr. Sack projected costs of \$32,800 for a 500-750 square-foot apartment a few miles away. He expressed concern that developers and lenders were making excessive profits.

President Wexler thanked Mr. Townsend for his comments.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Blomquist and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 5:25 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF FEBRUARY 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 28th day of February, 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:40 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee

and the following was absent:

Dr. Hannibal A. Williams

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Gene Stancil, Western Addition Project Area Committee (WAPAC); I. Sherrick and J. Lamantia, United States Postal Service; Alan B. Axelrod, attorney for Cleveland Wrecking Company; Mr. Bosley, Supervisor for Cleveland Wrecking Company; Craig K. Martin, G. B. Winter, and A. Whittington, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that the minutes of the Regular Meetings of February 14, 1978 and February 21, 1978, as distributed by mail, and the Executive Meeting of February 21, 1978, be adopted.

President Wexler indicated that Dr. Williams continues to have problems with his back and expressed the hope that he will make a complete recovery and be able to rejoin the Commission.

SPECIAL APPEARANCES

- (a) Request by Cleveland Wrecking Company for release of liquidated damages withheld under Demolition Contract No. 68, Western Addition A-2.

President Wexler indicated that the Cleveland Wrecking Company had indicated that they wished to address the Commission and asked if the representatives were present.

SPECIAL APPEARANCES (continued)

Mr. Alan B. Axelrod, attorney for the Cleveland Wrecking Company, came forward and addressed the Commissioners and said that he had requested this opportunity on behalf of his client, Cleveland Wrecking Company, to request the release of liquidated damages assessed against Cleveland Wrecking Company in connection with Demolition Contract No. 68, Western Addition A-2. Liquidated damages had been assessed for alleged delays in clearance of three small buildings and the Manor Plaza Hotel. He noted that these were as follows: Manor Plaza at 922 Fillmore Street had been assessed at 27 days for liquidated damages at \$7,333.20; 1828-32 Buchanan Street had been assessed at eight days for liquidated damages at \$400; 1834-38 Ellis Street, had been assessed at three days for liquidated damages at \$108, for a total of \$7,841.20.

Mr. Axelrod indicated that he would not address the Commissioners concerning the manner in which the delays were assessed for each of the parcels, because there was background correspondence between Cleveland Wrecking and the Agency. He indicated that this dispute may have to be resolved by the Court. The Cleveland Wrecking firm believes that liquidated damages should not be assessed in this case because if there were any delay in the removal of these three structures, this delay has not caused any monetary loss to the Agency. It was also his understanding that in the previous contracts with the Agency, both in the Western Addition and other areas, there had never been a prior assessment of liquidated damages against Cleveland Wrecking and any other demolition contractors, and he alleged that there have been many instances when contract completion was delayed beyond the period of time set forth in the specifications of the contract. He requested the Commission to release liquidated damage charges.

President Wexler indicated that, as an attorney, Mr. Axelrod could appreciate that he had raised legal issues and that this would be an appropriate time for the Commissioners to ask questions of a factual nature and that they would consider the matter further in Executive Session. President Wexler indicated that the material provided indicated that there were no employees of the Cleveland Company on the job from February 18 until March 7, 1977, and inquired if someone from the firm would comment on this.

Mr. Bosley, Superintendent of the Cleveland Wrecking Company, noted that this information was correct that there were no employees of the company on the job throughout this period because the company had sold some of the materials in the building and the purchasers were salvaging bricks and lumber.

President Wexler then inquired if the information he had was correct in specifying completion dates for the Manor Hotel of February 22 and the Ellis Street property had a completion date of February 22 and Buchanan Street a completion date of March 13, and Mr. Bosley answered affirmatively.

SPECIAL APPEARANCES (continued)

In response to Mr. Glickman's inquiry about how many contracts had Cleveland Wrecking had with the Agency over the past six or seven years, Mr. Bosley indicated that there had been approximately ten to fifteen contracts. Mr. Glickman inquired whether the Company had made attempts to meet the completion dates and Mr. Bosley said that in the beginning the Company had been conscientious about complying with the specified dates, but they noticed that their competitors had exceeded the time and were not being penalized for it, and, thereafter, their own contracts began to go over the time. Mr. Glickman inquired if other contracts specified the liquidated damage clause and Mr. Bosley indicated that this was standard terminology in all of the Agency's demolition contracts. President Wexler indicated that he felt it would be more appropriate to discuss this in Executive Session where the Commissioners would try to determine the appropriate approach and asked if Cleveland Wrecking had any objection to this approach.

Mr. Lee noted that he wanted staff to comment on the reasons for delay and he wished to determine whether the statements made by Cleveland were true and not necessarily to discuss any specific amounts. In response to an inquiry from Mr. Redmond F. Kernan, Deputy Executive Director for Planning and Development, President Wexler noted that he believed this discussion should be held in Executive Session. Leo E. Borregard, Agency General Counsel, confirmed this opinion and noted that the facts would have to be investigated and he did not feel it was appropriate for Mr. Kernan to comment at this time as the Agency would want to make sure that its response was absolutely accurate and determine the policy of the Commissioners.

President Wexler thanked Mr. Axelrod for his presentation and noted that the Commission would take his request under consideration.

- (b) Public hearing to hear all persons interested in the matter of approving the disposition and conveyance of 1916-18 Ellis Street (Parcel 1100-K) between Scott and Divisadero Streets, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of approving the disposition and conveyance of 1916-18 Ellis Street (Parcel 1100-K) between Scott and Divisadero Streets, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The plans for India Basin have moved from dream to nightmare to happy reality. This has required the moving of more than 50,000 cars without wheels, a half-million yards of fill, and more than ten arduous years of work. Three more large industrial buildings are under construction

REPORT OF THE EXECUTIVE DIRECTOR (continued)

and five others will start construction in 90 to 120 days in the only such park in a major city in the nation. This means a substantial increase in blue collar jobs and a living-out of the dream of at least three Mayors: the late John F. Shelley, Joseph L. Alioto and George R. Moscone, and Mr. Hamilton expressed his pleasure in relating the progress that had been made.

- (b) In regard to the Performing Arts Center, a ground-breaking took place last Friday. The site preparation is scheduled to begin this week and staff would be closely monitoring this activity and would get back to the Commissioners requesting further action in connection with the project.
- (c) The election of Joint Housing Committee board members was held and 299 ballots were cast. The swearing-in and election of officers is scheduled to be held Wednesday, March 31. There has been a challenge over the validity of the election. The issue concerns the residency of the largest vote-getters and the letter of protest alleges that none of them live in Hunters Point. Staff will be discussing this with James Wilson, Area Director for Hunters Point and India Basin, and will forward the letter to the Commissioners with advice of staff's recommendation for further action.

At this point, Ms. Berk joined the meeting, at 4:40 p.m.

- (d) One bid had been received from Tamal Construction for the Galvez Playfield in Hunters Point of \$518,000. Mr. Hamilton recalled that bids were received in September for improvement of the entire playfield and staff considered that the bids were too high and recommended rejection of the bids. Staff would be evaluating this bid as well as the safety and affirmative action and would apprise the Commissioners after evaluating the bid.

NEW BUSINESS

- (a) Resolution 37-78 approving the disposition price and method of sale; ratifying publication and notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and Conveyance instruments; all in connection with the sale of 1916-18 Ellis Street, Parcel 1100-K; Western Addition Approved Redevelopment Project Area A-2.

This matter was the subject of the public hearing and authorization is requested for disposition of property at 1916-18 Ellis Street to Mr. and Mrs. Thomas B. McGuire and Craig K. Martin. This is one of the twelve buildings moved in the project and conveyed to the San Francisco Architectural Heritage Foundation after no persons holding Certificates of Preference and efforts to secure other redevelopers have not succeeded.

NEW BUSINESS (continued)

Staff believes that Mr. and Mrs. McGuire and Mr. Martin have the financial capacity to rehabilitate this two-unit building. Rehabilitation cost of \$65,000 will be offset by rehabilitation loan of \$50,000. The total cost of the parcel plus a small adjacent parcel of land will be used for parking and open space is \$10,890, and staff recommends approval of this.

In response to President Wexler's inquiry, Mr. Gene Suttle, Area Director of Western Addition Area A-2, indicated that WAPAC had been informed of the proposed disposition and had indicated its agreement. He also noted that Mrs. Mary Rogers of WAPAC was on the Rehabilitation Loan Committee which had approved the loan.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that this matter be approved.

- (b) Resolution No. 38-78 approving an extension of time for letter of intent designating the United States Postal Service and the redeveloper of a 32-acre parcel, Evans Avenue/Cargo Way, Parcel B-3, and authorizing the Executive Director to execute a revised letter of intent in connection therewith; India Basin Industrial Park Approved Redevelopment Project Area.

This item seeks authorization and approval of an extension of date for entering into a disposition agreement with the U. S. Postal Service from April 15 to May 15. This 30-day extension will permit finalization of disposition agreement language. No change in the program is contemplated. The Post Office still plans to develop its Regional Mail Distribution Center which will occupy the 32-acre site and employ 4,500 people, and staff recommends approval of this item.

MOTION: It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that this resolution be approved.

- (c) Resolution No. 39-78 awarding contract for fencing services, all projects, to Coast Fence Company.

Mr. Hamilton indicated that he had received a request from Mr. Stan Smith, Secretary-Treasurer, San Francisco Building and Construction Trades Council to hold this matter over. He will meet with Mr. Mills on this item. President Wexler indicated that subject to any objections by the Commissioners, the matter would be held for one week. Hearing no objections, the matter was held over.

MATTERS NOT APPEARING ON AGENDA

- (a) Extension of janitorial contracts for Agency Offices at 939 Ellis Street and Hunters Point Site Office.

Mr. Hamilton recalled that previously staff had actively sought participation of minority firms to provide janitorial services and had succeeded in securing such a firm which was performing very satisfactorily. The Hunters Point and Central Office contracts with the firm of Albright Building Maintenance are now due to expire. Staff has experienced difficulty in getting services provided by bondable firms which are able to perform in an acceptable manner. Staff recommends a continued contractual relation with labor at a new negotiated price, including a five percent increase, and for Central the rate

MATTERS NOT APPEARING ON AGENDA (continued)

increases from \$918.38 to \$964.00, and for Hunters Point, from \$618.68 to \$649.61. In light of the performance of this firm, staff recommends approval of the renewal of these two contracts at the new rates.

President Wexler asked Mr. Wilson, Area Director for Hunters Point and India Basin, if the contract had been discussed with the Joint Housing Committee and what was their position. Mr. Wilson said the matter had not been discussed with them since the Joint Housing Committee Board had been preoccupied with the elections. Mr. Hamilton requested Mr. Mills to comment on the attitude of the Joint Housing Committee toward the Albright firm when the initial contract was awarded. Mr. Mills noted that the Joint Housing Committee supports the use of minority contractors for this service and that staff had not traditionally sought their review of such operational contracts.

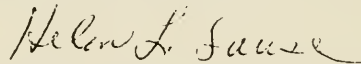
MOTION: It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that Albright Building Maintenance be awarded the contract for continued janitorial services in the Central Office and the Hunters Point and India Basin site office.

Mr. Leo Borregard requested that it be noted that prior to the meeting, in regard to the item under Special Appearances in regard to Cleveland Wrecking Company, he had spoken with Mr. Alan B. Axelrod, attorney, and asked him to provide information on the specific contracts which he had alleged had exceeded the contract time limit so that the Agency could form its posture on the basis of that information.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 5:00 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF MARCH 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of March, 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman (entered at 4:45 p.m.)
Melvin D. Lee

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and the following was absent:

Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Western Addition Project Area Committee (WAPAC); Ted Frazier, San Francisco Coalition; Reverend J. Ford, Fellowship Manor; M. DeFount, Tamal Construction Company; Gigi Wylie, Red, Green & Black Food Club; Randy Yamamoto and Ellen G. Spears, Citizens Against Nihonmachi Evictions (CANE); Randy Mellinger and George Mellinger, Steam Specialties; Garth Collier, The Delameter Group; and Helene Fried, San Francisco Art Institute.

Representating the press was Jerry Adams San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the Executive Meeting of February 28, 1978, as distributed by mail to the Commissioners, be approved. It was moved by Ms. Shelley, seconded by Ms. Berk, and unanimously carried that the minutes of the Executive Meeting of January 31, 1978, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel A-6, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel A-6, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 773-B, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 773-B, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

- (c) Mr. Randy Yamamoto of the Citizens Against Nihonmachi Evictions (CANE) came forward and requested the opportunity to make a statement regarding the authenticity of certain letters sent to President Wexler ostensibly from CANE opposing continuation of the Western Addition Project Area Committee (WAPAC) contract with the Agency. He stated that these letters were not written by any member of CANE but in his opinion were written by someone with the intent of causing trouble between CANE and WAPAC. He deplored the Agency's actions in displaying the counterfeit letters as the real thing and concluded that the Agency was responsible for the letters. President Wexler inquired if Mr. Yamamoto knew who had authored the letters, and he responded negatively. President Wexler indicated that Mr. Yamamoto had inferred that the letters were being publicly used but he believed that this was the first reference to them in any public meeting and inquired in what manner they had been made public. Mr. Yamamoto responded that the letters were being used in discussions with WAPAC. In response to President Wexler's inquiry, Mr. Hamilton indicated he knew of no way in which the letters were involved in any discussions between staff and WAPAC during contract discussions but he believed WAPAC had subsequently been given copies. President Wexler noted that the Commissioners had made no response nor taken any action in regard to the letters referred to by Mr. Yamamoto.

Ms. Gigi Wylie of the Red, Black & Green Community Food Club came forward and indicated that the name of her organization had appeared on one of the four letters received by the Agency opposing the WAPAC contract and she declared this to be a forgery. She indicated that her group had joined CANE in taking a stand against the Agency for its eviction of the tenants at 1531 Sutter and 1869 Buchanan Streets. She noted that the Agency had received a letter opposing its action against those tenants on January 31 and then the second one was received by the Agency on February 3, 1978. She believed the Agency should have questioned the authenticity of the letters because of this timing. She claimed that only the Agency or CANE had access to the information in the latter letter.

President Wexler asked Ms. Wylie to advise the Commissioners of anything she learned about the author of the letters. He assured her that the letters had played no part in any decisions made by the Commissioners and noted that the WAPAC contract had been renewed by a unanimous vote for one year as proposed by staff.

REPORT OF THE PRESIDENT

- (a) President Wexler indicated that Dr. Williams was once again in the hospital and may require surgery to relieve his back pain. He wished him a speedy recovery.

REPORT OF THE PRESIDENT (continued)

- (b) President Wexler noted that this week represented the anniversary of Mr. Hamilton's appointment as Executive Director and the results during the past year have justified the faith the Commissioners had placed in him.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) A unique directory of minority construction firms has been published by the Agency containing information on minority construction contractors and subcontractors from Fresno to the Oregon border. This directory is the only one of its kind produced by any government agency in the country. Mr. Hamilton indicated it was compiled by Mr. Benson Hattem, the Agency's Affirmative Action Officer, and was of enormous value to contractors and developers who wished to hire minority firms. He noted that the Agency also published a companion directory of minority truckers. Mr. Hamilton stressed that this did not solve affirmative action problems but it was a step toward that objective.
- (b) Early this morning the Board of Supervisors approved the community facility on the John Swett School site in Western Addition A-2 and construction will commence shortly. Mr. Hamilton recalled that WAPAC was instrumental in obtaining a grant from Washington, D C. for this facility after the community had participated in the planning and development activities to provide the facility.
- (c) In connection with the election of members for the Bayview-Hunters Point Joint Housing Committee Board, Mr. Hamilton indicated that Mr. Willie Beasley had withdrawn his letter of protest of irregularities which he alleged had prevailed during the election. Mr. Beasley had challenged the residential status of those elected. The staff is satisfied that qualified persons have been seated, and additional information will be forwarded to the Commissioners on the matter.

NEW BUSINESS

- (a) Resolution No. 40-78 approving sale of Parcel A-6 to George R. Mellinger and J. George Mellinger and the minimum disposition price; ratifying and confirming publication of notice of public hearing; authorizing execution of agreement for disposition and other conveyance instruments in connection with India Basin Industrial Park Approved Redevelopment Project Area.

Mr. Hamilton indicated that this was the subject of the public hearing just held and represented disposition of Parcel A-6 consisting of 85,584 square feet located at Newhall and Mendell Streets in India Basin Industrial Park for \$149,684. The redevelopers, George R. Mellinger and J. George Mellinger will construct a concrete tilt-up building containing 39,000 square feet. Their firm, Steam Specialities, will occupy 23,000 square feet of the building and they will leave the remainder of the space. They have agreed to meet the objective of employing twenty employees per acre and to hire trainees provided the Department of Manpower will support fifty percent of their training costs. The development schedules require submission of final plans on May 15, 1978 and evidence of financing by August 15. Construction

NEW BUSINESS (continued)

will start soon after that and is to be completed within ten months. Mr. Hamilton indicated that Mr. Richard Marshall, Business Development Specialist, was present. Mr. Marshall introduced Mr. Randy Mellinger. In response to President Wexler's inquiry, Mr. Hamilton indicated that the Joint Housing Committee had approved the proposed development. Mr. Mellinger indicated his desire to start the project as soon as possible and noted his pleasure with the site.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 47-78 authorizing the Executive Director to enter into a disposition agreement with the Fellowship Manor of Bethel A.M.E. Church, a nonprofit corporation, and execute necessary conveyance instruments; and ratifying and confirming publication of a notice of public hearing; all in connection with the sale of Parcel 773-B, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated this item was also the subject of a public hearing and concerned disposition of Parcel 773-B at the corner of Webster Street and Golden Gate Avenue in the Western Addition A-2 to Bethel A.M.E. Church for construction of 105 studio apartments to be built under Section 202 and Section 8 for the elderly. The disposition price is \$50,000 and WAPAC has approved the project. The firm commitment is anticipated by May 15, 1978.

Mrs. Mary Rogers of WAPAC came forward and indicated she had new information on the housing development which had been discussed at the previous meeting. Meals will be offered seven days a week, three times a day for \$50 per month. She stressed that this feature was optional. Mr. Hamilton indicated the presence of Reverend J. Ford who had replaced Reverend Hall as pastor of the Bethel A.M.E. Church.

Reverend Ford came forward and indicated that he was pleased to be afforded the opportunity to establish this worthwhile project and looked forward to its proceeding. President Wexler thanked the Church for its cooperation in providing housing in the community.

Mr. Lee inquired about the rental of \$349 for a studio apartment and asked how many square feet it contained. Reverend Ford responded he did not have those figures with him, but Mr. Gene Suttle, Area Director for Western Addition A-2, indicated he would provide these in a few moments.

President Wexler suggested that while the figures were being provided, consideration be given to how the Section 8 financing would affect the development's rental schedule. He indicated his understanding that the rents had been based on existing construction costs and that these rents had been approved by the Department of Housing and Urban Development (HUD) on current construction costs, but once approved there would be increases approved only in accordance with increased taxes and maintenance costs. The rents could not be moved up in an inflationary sense to meet rising market-rate rents, so that even though the rents started higher than market-rate rents they may well be less in the long run. Mr. Hamilton confirmed this understanding and indicated that HUD undertakes an annual survey in establishment of rents for a given area

NEW BUSINESS (continued)

so that there could be upward adjustment dependent upon higher costs but this did not include a cost escalation. Ms. Blomquist inquired if the rents were frozen, and Mr. Hamilton answered negatively, noting that they could be increased based on certified costs. President Wexler indicated rents could not be raised due to inflation so market-rate rents could surpass them, but it was due to the higher building construction costs that the rents started as high as they did; however, no increase could be considered unless based upon higher costs to the owners of the building.

At this point, Mr. Glickman entered the meeting at 4:45 p.m.

Ms. Blomquist referred to a statement made at a previous meeting by Mr. Paul Sachs that rents could be raised at any time, and President Wexler indicated this was incorrect because the rents would not be increased except on certified costs.

At this time Reverend Ford indicated that the studio apartments contained 402 square feet and the one-bedroom unit would be 869 square feet.

Mrs. Rogers suggested that in the future WAPAC be provided all information on rents and that the matter not be discussed until certain meetings could take place so that there would be no misunderstanding on the issues. She believed that there were a number of factors concerning the rents that were not known and that meetings with HUD were necessary before the issues could be considered by the Commissioners. She believed the owners of the developments could raise the rents at any time

ADOPTION: It was moved by Mr. Lee and seconded by Ms. Shelley that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Berk
Ms. Blomquist
Mr. Lee
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

Mr. Glickman

The President thereupon declared that the motion carried.

- (c) Resolution No. 41-78 approving an extension request under the terms of a disposition agreement dated May 2, 1977 for Parcel 1129-E, Western Addition Approved Redevelopment Project Area A-2.

This concerns a request for extension of time for the Delameter Group to provide complete evidence of financing to June 1, 1978. It is anticipated that the group's building permit will be processed, the final design and engineering

NEW BUSINESS (continued)

system controls on the solar heating and natural ventilation systems will be completed, and that construction can start by mid-April. June 1, 1978 is the date established for the extension to provide for any unforeseen delays. Mr. Hamilton indicated that a representative of Dr. Delameter was present to respond to any questions.

Mr. Garth Collier came forward and indicated he was the project's architect and that the extension of time to June 1, 1978 was requested because the loan was in the process of being obtained but final construction costs had to be determined prior to this. He indicated that documents for the final plan were being checked and the building permit would be applied for. He noted that the Bureau of Building Permits had approved the basic concepts but the solar system had caused some delay. In response to Mr. Glickman's question, Mr. Collier indicated that the lender had not been selected since the final construction costs are still being put together and before any lender could approve a loan such information was a prerequisite in consideration of a loan. Mr. Collier indicated he did not anticipate any problems with lenders which appeared to share his group's enthusiasm for the project. President Wexler indicated that the firm of Baldwin & Howell had provided a letter indicating that they had agreed to make financing available subject to receipt of final plans and construction cost breakdowns. Mr. Collier indicated the costs should be known within four to six weeks' time.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 42-78 awarding Site Improvement Contract No. 22b to Tamal Construction Company, Hunters Point Approved Redevelopment Project Area NDP A-5.

This concerns award of a contract to the only bidder for construction of all landscaping improvements for Phase II of the Galvez Playfield in Hunters Point. Tamal Construction Company will contract for \$518,000 to provide landscaping for the playfield, including concrete ramps, paving, stairs and bleachers, play areas, other planting, and the irrigation system and lighting. Mr. Hamilton indicated that originally the contract had been advertised as including the administration building but the one bid received was deemed excessive and the bid was rejected and the contract split into two parts. Nibbi-Lowe then was awarded the contract for the administration building. Tamal Construction has performed satisfactorily in the past for the Agency and has a good affirmative action program.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 43-78 authorizing the Executive Director to enter into a legal services contract in connection with the Diamond Heights Approved Redevelopment Project Area,

This represents an agreement with Rogers, Vizzard and Tallett to provide outside legal services in connection with the case of Mayers vs. Strohauser for a total not to exceed \$3,150. The case involved complex and specialized

NEW BUSINESS (continued)

litigation which necessitated the use of such counsel. Ms. Blomquist inquired what firm had done the soils work, and Mr. Redmond Kernan, Deputy Executive Director for Planning and Development, responded that he believed it was the firm of Harding Lawson but the property owner had required additional soils work and he did not know the name of the firm which provided the reconfiguration work for the owner.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 44-78 authorizing the Executive Director to accept an offer of David and Shirley Stroahuer as negotiated settlement of all claims, costs, and interest arising out of claims and litigation resulting from slope failure in Diamond Heights Redevelopment Project Area.

Mr. Hamilton indicated that this concerned a settlement of the Strohauser vs. SFRA case involving a land slippage issue in Diamond Heights. The firm of Rogers, Vizzard & Tallett negotiated the settlement of \$4,000 and legal staff recommends acceptance.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 49-78 authorizing the Executive Director to enter into reimbursement agreement with the City and County of San Francisco in connection with the payment of litigation fees for the Yerba Buena Center Approved Redevelopment Project Area.

This concerns an agreement with the City and County of San Francisco for the reimbursement of City funds advanced to the Agency for payment by the Agency of an amount in settlement of the Public Advocates, Inc. claim for attorneys' fees in the TOOR, et al vs. HUD, et al litigation case. It is anticipated that the amount will be \$223,000 and this was agreed upon several years ago when Public Advocates, Inc. submitted its claim originally for \$1,300,000. The City had specifically requested this agreement. Mr. Hamilton indicated that legal staff believe the claim is appropriate and since the City Attorney's Office has indicated approval, he would recommend approval of the contract, as written, but with the exception of the comment clause relating to the collection of fees. Ms. Blomquist concurred that the clause should be stricken from the agreement, and President Wexler also agreed that it be deleted. Mr. Glickman indicated he would abstain from voting on this item because of previous involvement with the TOOR litigation.

ADOPTION: It was moved by Ms. Blomquist and seconded by Ms. Berk that this resolution be adopted in the present form, except that the clause pertaining to collection of fees be deleted, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Berk
Ms. Blomquist
Mr. Lee
Mr. Wexler

and the following voted "Nay":

None

NEW BUSINESS (continued)

and the following abstained

Mr. Glickman

The President thereupon declared that the motion carried.

- (h) Resolution No. 44-78 authorizing the Executive Director to enter into a legal services contract in connection with the Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton requested that this item would be held over for pending resolution of an issue by the Agency General Counsel and President Wexler indicated that subject to objection, this matter would be held over one week. There were no objections.

- (i) Resolution No. 46-78 authorizing the Executive Director to enter into a rental agreement with the San Francisco Art Institute for the utilization of cleared land in the Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that this pertained to a rental agreement with the San Francisco Art Institute to use 6,500 square feet of a parcel in Yerba Buena Center for an exhibit featuring the urban environment on a day-to-day, rent-free agreement. The site at Third and Mission Streets would be used to display nature in an urban environment as envisioned by Mr. Terry Fox, an artist interested in development of the exhibit. Mr. Earl Mills, Deputy Executive Director for Community Services, indicated that Ms. Helene Fried of the San Francisco Art Institute was present and could explain the details.

Ms. Helene Fried came forward and indicated that Mr. Fox was the recipient of many awards as a conceptual artist both in this country and abroad and had held many one-man shows. She indicated that the area would be cleared of trash and there would be no trace of occupancy by the artist remaining upon completion of the proposed exhibit. Mr. Fox's exhibit will involve sound and video recordings and the use of ladders, poles and plastic sheeting. The artist considers the site appropriate for certain visual and acoustical properties that can be enjoyed by passersby. The Art Institute will provide the necessary insurance and in response to Mr. Glickman's question, Ms. Fried indicated that some photographs of the event may be sold through the Institute with the proceeds going to the artist.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (j) Resolution No. 48-78 amending Resolution No. 221-77 adopted November 1, 1977 establishing classifications and compensation schedules for Agency staff.

Mr. Hamilton indicated that this concerned establishment of the classification of "Roofer" in the Agency's salary classifications so that buildings in the project areas could be properly serviced since the recent heavy rainfalls have necessitated increasing roofing repairs. Because of the difficulty in providing such services, through private contractors, this classification for roofer will be on a limited term assignment; however, it will be comparable to the same City classification under Salary Schedule Plan No. 40.6 with \$677 to \$818 biweekly pay.

NEW BUSINESS (continued)

Ms. Blomquist inquired about the term of the classification and Mr. Hamilton indicated the position depended upon the need for such personnel and budget availability of funds. Ms. Blomquist asked if this would be about two months or until the rains were over, and Mr. Hamilton responded affirmatively, noting that there was a large backlog of work and the assignment would depend upon need. Mr. Lee expressed concern that the roofer would be on the staff year around, and Mr. Hamilton indicated that the position would be filled in relation to the work load and the duration of the rainy season. Mrs. Rogers indicated that there was great need for a roofer to make the necessary repairs in the project area. Mr. Hamilton indicated in response to President Wexler's question that the position would be terminated if there was no work but it was probable that the roofer would be busy until the end of 1978.

ADOPTION· It was moved by Ms. Shelley and seconded by Mr. Glickman that this resolution be adopted and on roll call the following voted "Aye":

Ms. Shelley
Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion carried.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted



Helen L. Sause,
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF MARCH 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City and County of San Francisco at 4:00 o'clock p.m. on the 14th day of February 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

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and the following was absent:

Dr. Hannibal A. Williams

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Benny Stewart, James Phke, and Richard Harper, Western Addition Project Area Committee (WAPAC); Judge Leland Lazarus and Morris Evenson, Mayor's Select Committee on Yerba Buena Center; Ted Frazier, Willie Kelley, Gerry Frace, Harrita Burroughs, Maria Palermo, Theresa Jean, and Ken Davis, San Francisco Coalition; Martha Senger, Daniel Weaver, Miolo Calderon, and Donald Turner, Goodman Group; Lenny Limjoco, San Francisco Study Center; R. N. Dorais, Turner Construction; Victor Hong, Citizens Committee for Yerba Buena Center; Earl Moss, Victorian Alliance; Carolyn Buck, Bay Area Creative Workers for Housing; Susan J. Bierman, Ina F. Dearman, Charles Starbuck, George Carey, Rai Okamoto, Dr. Selena Bendix, and Dr. Richard Cole, Department of City Planning; Robert Keneale, Deputy City Attorney; Peter Mendelsohn, Commission on the Aging; Linda Russell, Schiller and Combs, Inc.; and Joel Ventresca and Frederick Dock, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Jerry Adams, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

President Wexler indicated that he would entertain a motion at this point for the Agency to continue its regular meeting until 5:30 p.m. so that the special meeting which has been scheduled can commence with the clear understanding that if the special meeting is not concluded by 5:30 p.m., the regular meeting will be reconvened to continue until such time as the special meeting is concluded. The special meeting will concern the certification of the Final Environmental Impact Report (EIR) for Yerba Buena Center.

MOTION: It was moved by Ms. Shelley, seconded by Ms. Berk, unanimously carried that the regular meeting of the Agency be continued until 5:30 p.m.

The regular meeting of the San Francisco Redevelopment Agency reconvened at 5:30 p.m., and on roll call the same quorum was present. Wilbur W. Hamilton and staff members were also present.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of a Regular Meeting of March 7, 1978, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) An Urban Development Action Grant (UDAG) application has been submitted to the Office of Community Development for evaluation and consideration for inclusion in the City's UDAG submission to the Department of Housing and Urban Development (HUD). The UDAG funds were proposed by HUD Secretary Harris to provide an economic catalyst in areas where other HUD programs have not yet been successful. It is intended to encourage private enterprise to work with the Agency and community to provide the development intended to enhance the Fillmore Center area, and if the \$10M grant was approved, it would also provide certain site improvements in the area.
- (b) It is anticipated that Mr. Alan Wofsy, who was designated as the redeveloper of the Goodman Building, will execute a disposition agreement before the expiration of his March 15, 1978, deadline. Mr. Hamilton indicated he had met this morning with Mr. Wofsy and as a result he believed that the agreement would be finalized and signed by Mr. Wofsy. Following that the agreement will be forwarded to HUD, and after approval it will be returned to the Agency. Then for a two-week period, notice will be published setting the date of a public hearing on the Agency's agreement.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mr. Hamilton indicated that correspondence had been received from Environmental Clearance Officer of HUD originated by Dr. Knox Mellon of the Office of Historic Preservation regarding the Goodman Building and the Myrtle Street flats. Some concerns had been raised about the rehabilitation proposed by Mr. Wofsy and the site was visited by members of the State Office of Historic Preservation and National Register of Historic Places for the purpose of inspection to determine the architectural significance of the interiors of the buildings. It was the consensus of the Office of Historic Preservation members that the interiors of the Myrtle Street flats had no remaining qualities which would be adversely affected by the proposed project. The letter also stated that Mr. Wofsy's plans would be sensitive to the existing historic architectural fabric and physical appearance of the Goodman Building.

- (c) Mr. Hamilton read the statement, which is attached hereto and made a part of these minutes, relative to expressions of concern about the lack of broad participation in the Western Addition Project Area Committee (WAPAC).

President Wexler inquired if a response was expected from the Commissioners at this time regarding a proposal to conduct a public meeting on the concerns in the community, and Mr. Hamilton answered negatively, noting that this was the first time that the Commissioners had been advised of the proposal; however, they may wish to comment. President Wexler asked if the WAPAC convention would be held in April, and Mr. Hamilton responded that this had been his understanding, but WAPAC now indicated it might hold its elections later in the year and it could establish its own date.

President Wexler inquired if anyone wished to speak on the matter. He noted that Mrs. M. Senger had also expressed interest in speaking on an item in the Director's Report. Mrs. Senger indicated that she would speak after the WAPAC representatives.

Mrs. Mary Rogers of WAPAC came forward and indicated that she was speaking in this instance as a resident of the community. She indicated that WAPAC had always conducted open elections where anyone who wished to run for office could do so. She believed that a public hearing could be held any time, and urged that it not be held in conjunction with the election, but rather be held before it. Mrs. Rogers then noted that she was speaking in her capacity as President of WAPAC and stressed that anyone could participate in WAPAC meetings and that she had no problem with Mr. Hamilton's statement; however, she deplored any covert actions and expressed concern that if anyone had any complaints to make these persons should come forward openly. She noted that the representativeness of any group was questionable and that she had no intention of permitting anyone to control her, particularly those from outside the community.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

President Wexler thanked her for her comments and indicated that to clarify the matter Mr. Hamilton's statement was new to the Commissioners and they had taken no action but were interested in comments on the matter. Mrs. Rodgers indicated her awareness that there had been calls from people in the community and letters criticizing WAPAC but to date these people have not confronted her and had not participated in any of the WAPAC meetings.

Mr. Benny Stewart of WAPAC came forward and indicated that he had begun his work with WAPAC in 1974 which was the time the by-laws had been changed regarding the election process by Mr. James Jaquet of HUD. The requirements established guidelines for the organization to serve on the project area committee. At that time over 400 people had participated but funds had been made available to attract people to participate in the convention but now funds and staff have been reduced and it is not possible to generate as much interest in the process. Mr. Hamilton indicated that his concern originated from a belief that there was little participation in this community organization and that the criticism was not directed to procedures. He also indicated that he and President Wexler had encouraged persons making the criticisms to work through WAPAC and participate in its meetings. In response to Mr. Stewart's question, Mr. Hamilton stressed his concern about the number of people who had attended the last WAPAC election. He believed that the participation of only 45 people out of the entire community was a reason for concern. Mr. Stewart reiterated his belief that this was because WAPAC had insufficient money and a reduced staff to generate community interest. Mr. Hamilton indicated that the largest participation occurred prior to Mr. Stewart's association with WAPAC and that if a plan was presented which would attract people the Agency would consider funding essential cost items.

Mrs. Rogers indicated her belief that bringing people out to a convention to resolve conflicts was not constructive. Mr. Hamilton again indicated his concern that people were not participating in the program and Mr. Stewart noted that WAPAC held two public meetings each month at which the program WAPAC is working on is fully discussed in publicly held meetings. He asked if Mr. Hamilton were speaking about a larger forum, and Mr. Hamilton responded that for reasons not understood, the level of participation in WAPAC's convention as determined by the actual voting record was below what it should be in a community of that strength. He noted his belief that this matter should concern WAPAC that the number was as low as it was. He indicated that the Agency has an obligation to review program matters with the community but WAPAC has to have an appropriately open forum to discuss the concerns of that community and he believed that the open forum was a legitimate concern. He also indicated that in response to his suggestion that people deal with WAPAC they had advised him that they could not obtain a fair hearing. He inquired if WAPAC was anxious over holding an open public forum where people with legitimate concerns could be heard. Mr. Stewart indicated 45 people had attended and WAPAC did have several meetings but that this was the first time he had heard about any dissent. He invited the Commissioners to attend WAPAC meetings and Mr. Hamilton indicated he proposed holding a community forum for that reason.

Mr. Arnold Townsend of WAPAC came forward and indicated he did not fear a public meeting but expressed his belief that the previous WAPAC convention had not been well attended because WAPAC did not have the funds to hire an outside supervisor to handle the election. He indicated that in 1975 there had been 1,200 people and in 1976 there were only 500 to 600 persons and WAPAC's staff had to put the election together itself, when the staff had

REPORT OF THE EXECUTIVE DIRECTOR (continued)

been cut from eleven to five people. He claimed that the original WAPAC board had 54 members and now it consists of fifteen and that before he did not believe the Agency had considered it important to have a large attendance and now it apparently does when there are fewer staff people to handle the matter. He believed the present board was representative of the community and that the larger board had difficulty in managing solutions to problems. He indicated it was unfair to say the board and WAPAC were not representative of the community when WAPAC had done its work for the Agency in the community and kept the community together. He believed that the people who were dissatisfied with WAPAC were new people in the community. He also indicated that the Agency had refused to fund a community newspaper, that participation had to be built up in the community and that people could call Mr. Hamilton if they wished to know where the WAPAC meetings were. He thought that in four years one year with a low turn-out was not a bad record and that unlike some organizations there had been elections every year. He noted that in the past WAPAC had tried to have a board with seats designated for certain interests, but it did not work out and people did not participate. In his opinion, the important point was that the determination as to whether WAPAC was representative or not was not the decision of the Agency, but of the community, and he believed the people are more concerned that the Agency will build back the community.

Mr. Hamilton indicated that he had not said WAPAC was nonrepresentative but that he had expressed concern about the level of community involvement. He believed that it was important to appear in the community to give the Commissioners and himself an opportunity to be visible in the community.

President Wexler inquired if Mrs. Martha Senger wished to comment on the Goodman Building matter although no action was being taken by the Commissioners. In her place, Mr. Donald Turner of the Goodman Building Development Corporation indicated his desire to speak.

Mr. Turner came forward and noted that Mr. Hamilton in his report had mentioned a letter indicating approval of a development plan by a Mr. Alan Wofsy on the basis that it would be compatible with the historic continuity of the Goodman Building. He expressed surprise at this since the Goodman Group had received a letter from Ms. Kathryn Kaiser, Chairman of the State Historical Resources Commission, which indicated a contrary view. He proceeded to read a portion of her letter in which she stated her belief that the Goodman Building's main value as a structure lay in the cultural significance of its occupant artists and that to change the interior spaces would change the traditional usage and compromise the reasons for which the building was nominated for the National Register to the point of jeopardizing its continued listing on that Federal Program. She believed the building was important historically and architecturally also.

Mr. Turner expressed the belief that the Wofsy proposal was totally incompatible with the main thrust of Ms. Kaiser's views of the building as a historical landmark. He indicated that the Goodman Building Development Corporation had just submitted a serious proposal that will preserve the internal function referred to in Ms. Kaiser's letter and hoped there would be an opportunity to offer that proposal in a manner in which it could be acceptable should the Wofsy proposal not come to fruition. Mr. Turner indicated that he believed the Agency and Mr. Wofsy were in negotiations to which he was not privy and it was his understanding that Mr. Wofsy has not signed the agreement yet. He believed that Mr. Wofsy's development was not the last resort to save the

REPORT OF THE EXECUTIVE DIRECTOR (continued)

building and that it could be saved for San Francisco and its residents because the Corporation was waiting to develop the building.

Mr. Hamilton indicated that it was unfortunate that the information had not been available prior to the designation of Mr. Wofsy as developer and that Mr. Wofsy had made a considerable effort to bring the proposal to fruition. He indicated that two proposals were received for preservation of the Goodman Building and since the Agency had entered into exclusive negotiations with Mr. Wofsy it is obligated to assist him in every way. Mr. Turner stated that the Group's proposal had not been submitted in a timely manner but noted it was now struggling to offer a viable alternative and only wanted to remind the Commissioners that the current proposal before them was not the only one for the building.

President Wexler indicated that he was pleased to note from the materials just submitted that there was an allowance of \$196,000 for purchase of the land and he regretted that there had not been a proposal from the Goodman Group to consider at the time the developer was designated. President Wexler expressed appreciation for Mr. Turner's realization on the bad timing of the submission but if there is an appropriate opportunity to consider such a proposal at a later date, then this would be done.

Mr. Miolo Calderon came forward and indicated he was a tenant in the Goodman Building. He alleged the Agency did not help people develop their potential. He alleged that the Group was never given the opportunity to put its proposal together and that the key to getting financing was in getting the designation and it was difficult to put together a package without this. He accused the Agency of not having provided serious aid and he believed that it was a waste of time to go along with the Wofsy proposal if he had not obtained the Section 8 subsidies. President Wexler thanked all the speakers for their comments.

NEW BUSINESS

- (a) Resolution No. 51-78 awarding a contract to Marin Exposed Aggregate Products in the amount of \$23,200 for the purchase of tree-pit covers, Western Addition Approved Redevelopment Project Area A-2.

This concerns award of a contract for 500 tree-pit covers to the lowest of three bidders, Marin Exposed Aggregate Products of San Rafael for \$23,300. The covers will be used to cover openings around trees already planted, as well as those yet to be planted. Mr. Hamilton indicated that the firm has previously done work for the Agency and performed satisfactorily.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Lee and unanimously carried that this resolution be adopted.

- (b) Resolution No. 55-78 authorizing the issuance of an interdepartmental work order for relocation of utility poles conflicting with driveway entrances to the Golden Gate Apartments (MPPH Site 15), Western Addition Approved Redevelopment Project Area A-2.

This represents a work order not to exceed \$7,000 to the Hetch Hetchy Water

NEW BUSINESS (continued)

and Power division of the San Francisco Public Utilities Commission to provide for relocation of two utility poles in Western Addition A-2 which will block future driveways of the Golden Gate Apartments development. Ms. Blomquist indicated that she believed it was excessively expensive to move the two poles, and Mr. Thomas Roberts, Project Engineer, indicated that Hetch Hetchy estimated the cost to the Agency to do the work. He also indicated that one of the poles carries the distribution lines for the Municipal Railway buses.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 53-78 approving the expenditure of funds to effect the permanent relocation of Lee's Liquors, a commercial enterprise, Western Addition Approved Redevelopment Project Area A-2.

This item concerns a request to approve moving expenses for a permanent move of Lee's Liquors from 2000 Sutter to 1758 Fillmore Street in Western Addition A-2. The total cost of \$9,500 includes: (1) \$2,023 additional rental costs necessitated by unanticipated foundation work on the new location and bad weather conditions which caused delays, (2) \$5,228 for utility costs and equipment installation and moving costs, and (3) \$2,248 for signs, permits, and burglar alarms. President Wexler inquired if the rental costs were over and above what Mr. Lee would have paid if he had not been relocated or was the Agency paying all his rent, and Mr. Earl Mills, Deputy Executive Director for Community Services, responded that Mr. Lee was paying rent to the Agency while he was in the temporary location and the Agency is only paying the difference. President Wexler commented that the Agency was then only paying additional costs, and Mr. Mills concurred.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 54-79 authorizing the Executive Director to enter into a rental agreement with Builders Fore, Inc. for the utilization of cleared Agency-owned land in the Yerba Buena Center Approved Redevelopment Project Area.

This concerns a rental agreement with Builders Fore, Inc. for the use of 34,675 square feet of a parcel on Fourth between Clara and Harrison Streets in Yerba Buena Center which will serve as a field office and storage facility during construction of the second TODCO housing development known as Dimas-Alang House. The rent will be \$175 on a month-to-month basis. President Wexler inquired how the rental amount was determined, and Mr. Mills responded that it was not consistent with other commercial rents for cleared land in the area but was a negotiated amount to aid a contractor who is building subsidized housing in the project. The discounted rent enables the contractor to keep costs down and this will ultimately be reflected in lower rents.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 39-78 awarding contract for fencing services, all projects, to Coast Fence Company.

Mr. Hamilton indicated that this item concerned a fencing contract for all projects and recommended award to the lowest of four bidders, Coast Fence

NEW BUSINESS (continued)

Company for \$52,920. It is anticipated that this will serve the Agency's fencing needs for the next two years. The firm had previously worked for the Agency and performed satisfactorily, as well as having worked for the San Francisco Housing Authority and the City, and it has a good affirmative action program.

Mr. Hamilton indicated that the Union had expressed some concern because Coast Fencing has not executed an agreement with the appropriate Union. There have been meetings with the Union and contractor and it is the Agency's policy to encourage Union affiliations; however, the Agency cannot, as a matter of law, require such affiliation but must, under State law, award to the low bidder. This particular contractor will pay prevailing wages. Ms. Blomquist inquired if the fencing would be recycled, and Mr. Hamilton answered affirmatively, noting that the Agency received a credit of \$0.55 per lineal foot.

MOTION: It was moved by Ms. Blomquist that this resolution be adopted.

Ms. Shelley inquired what was the difference between the low bid and the second low bid, and Mr. Hamilton responded that it was \$2,000. President Wexler inquired if this compared with the previous fencing contract bid or was in line with the staff estimate, and Mr. Mills replied that it was slightly lower. Ms. Shelley indicated her concern about encouraging a business that is unwilling to enter into an agreement with its employees, and she inquired about the legal requirement that bids be awarded to the low bidder.

Agency General Counsel Leo Borregard responded that State law regarding competitive bidding requires that the bid be awarded to the lowest responsible bidder. Ms. Shelley indicated that because she lacked knowledge about the issue and would like to have the contractor meet for further resolution, she would vote negatively. Mr. Hamilton indicated that the Agency was also concerned and this was the reason that the item was held up to allow time for Mr. Mills to meet with the Union and the contractor to resolve the problem, but they were unable to come to any resolution. Ms. Shelley indicated that as long as she was a Commissioner she would do all she could to make certain that the concerns of organized workers be respected but it was difficult for her to do so since no one had contacted her directly.

President Wexler asked if the employees of Coast Fencing wished to be affiliated with the Union and Mr. Hamilton replied that the employees appeared to be satisfied and that the company was non-Union. The Union had indicated it did not wish to supply laborers and the company had indicated it would have no problem supplying its own workers.

President Wexler inquired about the policy regarding Union versus non-Union contractors, referred to by Mr. Hamilton, and Mr. Hamilton replied that as an operational policy the Agency encouraged participation of Union firms but this is not required by State law. President Wexler inquired if there was any affirmative action advantages through the Union, and Mr. Hamilton replied that the Union relationship did not ensure that the labor percentage of minorities would be forthcoming. President Wexler inquired about the basis for the Agency to actively encourage Union participation if this was not a component required by law and Mr. Hamilton indicated that the labor force was supplied by the Unions but as a practical matter there was potential for difficulties

NEW BUSINESS (continued)

and delays in a program where labor contractors were not respected. President Wexler indicated that the policy was one which was a pragmatic rather than a matter of social judgment on the part of the Agency, and Mr. Hamilton concurred.

Mr. Glickman expressed the opinion that this issue appeared to be separate from the award of the fencing contract and suggested it be pursued further. Mr. Hamilton indicated that the Agency deals with the Unions and President Wexler agreed that this was a good point but since there was no legal State or HUD mandate it appeared that this was a matter which may be dealt with at the Commissioners' discretion. He added, however, that the Commissioners had not been aware of this policy. Ms. Shelley indicated her desire to express her views on organized labor and believed the Agency should discourage the worker from not dealing with the Union. She wished more time to organize her thoughts, and Mr. Glickman agreed. He did not wish to discourage the use of organized labor but he also did not think that was what was implied.

President Wexler commented that in this case staff had been unsuccessful in its negotiating efforts between the Union and the company and suggested that the past policy of the Agency be reviewed as a separate matter. President Wexler indicated that Ms. Blomquist had moved adoption.

ADOPTION: It was moved by Ms. Blomquist and seconded by Ms. Berk that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Wexler

and the following voted "Nay":

Ms. Shelley

and the following abstained:

None

The President thereupon declared that the motion carried.

At this point, Mr. Glickman left the meeting at 7:00 p.m.

- (f) Consideration of an agreement with ORQ, Inc. for design of a communication system in an amount not to exceed \$4,000.

This concerns a contract with ORQ, Inc. to design a new telephone system for the Agency's three offices at a cost not to exceed \$4,000. The consultant will develop the format for the proposals to be submitted to vendors of telephone equipment, bid review, and selection of the equipment, training of Agency personnel in the use of the new system, and follow-up consultation after its installation. The studies will determine the most favorable system for the needs of the Agency to increase efficiency which is expected to result

NEW BUSINESS (continued)

In a substantial savings to the Agency in monthly phone charges, reduction of operator cost in the site offices, and realization of a more effective system. Mr. Hamilton noted that ORQ stood for O'Brien, Rice, & Quam, Inc. He also noted that the switchboard would be moved to the fourth floor. The costs to accomplish this should not be more than \$8,000.

Ms. Shirley Wysinger representing Local 400 came forward and asked for clarification of the proposed system and how this would affect switchboard operators at the site offices, since Mr. Hamilton had mentioned the change would reduce operational costs. Mr. Hamilton responded that he would meet with the Union to discuss that matter but at present the only request being made was for a contractor to design the system. Ms. Wysinger questioned the use of proceeding further with a study when the Agency has no knowledge of what it might mean. Mr. Hamilton replied that this study must come first to understand the Agency's needs. He promised that there would be staff review and the matter would be discussed with the Union.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the Agency contract with ORQ, Inc. for a design of a communication system in an amount not to exceed \$4,000.

(g) Consideration of purchase of a new power stapler.

Mr. Hamilton indicated that this was a request for authorization to purchase a used 2½-year-old stapler for use in the print shop for \$1,810, including tax. This Bostitch power stapler will replace the worn model which dates from 1910 and which was discontinued in 1935. The cost of a new stapler would run from \$3,000 to \$5,000 and the used one has been reconditioned and is guaranteed. Ms. Blomquist indicated her objections to the cost of running the print shop and objected to the purchase of the stapler for the print shop.

MOTION: It was moved by Mr. Lee and seconded by Ms. Shelley that a new power stapler be purchased for use in the print shop, and on roll call the following voted "Aye":

Ms. Berk
Mr. Lee
Ms. Shelley
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion carried.

(h) Resolution No. 52-78 travel authorization for Wilbur W. Hamilton, Executive Director.

Mr. Hamilton indicated that he would be attending a meeting of the National Association of Housing and Redevelopment Officials (NAHRO) Board of Governors and national committees in Washington D.C. from April 25 to 28, 1978 in his

NEW BUSINESS (continued)

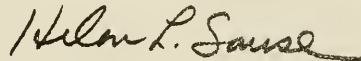
capacity as Senior Vice President of the Pacific Southwest Regional Council. In addition, he would also endeavor to set up meetings with HUD central staff to discuss certain aspects of the Agency's program concerning its projects which must be resolved in that forum. President Wexler asked what the cost would be, and Mr. Hamilton indicated the \$60 per diem cost would not be exceeded. President Wexler asked what the upset amount would be and Mr. Hamilton indicated this had not yet been compiled. Agency General Counsel Leo E. Borregard explained that travel authorization would be in accordance with the Agency's policy for such travel which indicates travel is to be to and from Washington, D.C. for a number of days as specified and it would be limited by Agency policy. In response to President Wexler's question, Mrs. Jane Hale, Assistant Executive Director for Finance and Administration, indicated that the costs would be reviewed to see if they complied with the policy.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Lee seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 7:15 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

STATEMENT BY THE EXECUTIVE DIRECTOR
OF THE SAN FRANCISCO REDEVELOPMENT AGENCY
WILBUR W. HAMILTON

Community participation in the planning and implementation of the Redevelopment Agency's program is a major concern to this Agency. Consistent with that concern, the Agency has contracted with community organizations in our two major residential projects for the purpose of representing those communities in the execution of the redevelopment program.

Because of the dynamic nature of the communities we serve, it has been necessary that we periodically re-examine the effectiveness of these community organizations and take appropriate steps to insure the broadest possible opportunity for participation.

Recently, in the Hunters Point community, for example, an annual election of members to the Board of Directors of the Bayview-Hunters Point Joint Housing Committee was held, monitored closely by Agency staff. The Joint Housing Committee is the official community organization with which the Agency contracts in the Bayview--Hunters Point area for community participation. Because of concerns expressed about procedural defects in the election process as regards several candidates to the Board, a re-election of Board members to three seats was held by the Joint Housing Committee at the request of the Agency. Approximately 300 community persons participated. The newly elected Board members have been confirmed and seated by the Joint Housing Committee.

In the Western Addition A-2, the Agency has contracted with the Western Addition

Project Area Committee (WAPAC) since 1969 for community representation in redevelopment affairs.

We have recently received expressions of concern about the lack of broad participation by community groups in WAPAC. We note, as well, that in the last election of WAPAC, 45 persons participated by actual vote count. We believe that to be an inadequate level of involvement in that community and, accordingly, I am recommending to the Commission that the Agency participate actively in the annual WAPAC convention which is planned for the Spring of this year. I would propose that the Commission, as part of scheduled convention activity, hold a public meeting in the community and actively solicit the participation of neighborhood residents and groups. We would be particularly interested in hearing from the many individuals and organizations which have played a significant historical role in the community organization but are not now participating.

We have also received formal complaints suggesting preferential rental arrangements with the Agency are enjoyed by WAPAC staff and board members. Many of these individuals have lived through the relocation experience of on-siting and temporary rehousing in the Western Addition and our records reflect some rental delinquencies similar to those accrued by other residents in the community. I have, however, instructed staff to examine closely the delinquent accounts of all persons in the Western Addition A-2 project area, including those affiliated with WAPAC, and directed them to identify the available options for dealing with all delinquent rental accounts. Where legitimate hardship exists, the Agency's policy of account adjustment will prevail. Where such hardship cannot be documented and certified, the Agency will move to cure outstanding delinquent rental accounts. It is not our intent to deal unfairly or severely with those who cannot pay. We

will, however, proceed expeditiously to resolve delinquencies of those who can. It must be noted that, notwithstanding the above, WAPAC has provided effective representation of the Western Addition community in connection with the redevelopment process. We fully anticipate that present concern will be resolved and that the community will respond with renewed interest and involvement in the Agency's program.

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF MARCH, 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street, in the City of San Francisco, California, at 4:10 p.m. on the 14th day of March, 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

and the following was absent:

Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Commissioners Susan J. Bierman, Ina F. Dearman, George Carey, Charles Starbuck, and Secretary Lee Wood, San Francisco Planning Commission; Rai Okomoto, Director of Planning, and Dr. Selina Bendix, Environmental Review Officer, Department of City Planning; Dr. Richard Cole, Environmental Science Associates, Inc.; Mr. Roger Boas, Chief Administrative Officer, City and County of San Francisco; Mr. Robert A. Kenealey, Assistant Chief Deputy City Attorney; Judge Leland Lazarus and Morris Evenson, Mayor's Select Committee on Yerba Buena Center; Victor Hong, Citizens Committee for Yerba Buena Center; Ted Frazier, Willie Kelley, Gerry Frace, Harrita Burroughs, Maria Palermo, Theresa Jean, and Ken Davis, San Francisco Coalition; Arnold Townsend, Mary Rogers, Benny Stewart, James Phke, and Richard Haper, Western Addition Project Area Committee (WAPAC); Martha Senger, Daniel Weaver, Miolo Calderon, and Donald Ternier, Goodman Group; Lenny Limjoco, San Francisco Study Center; R. N. Dorais, Turner Construction; Earl Moss, Victorian Alliance; Carolyn Buck, Bay Area Creative Workers for Housing; Peter Mendelsohn, Commission on the Aging; Linda Russell, Schiller and Combs, Inc.; and Joel Ventresca and Frederick Dock, Interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle;
Jerry Adams, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

President Wexler requested the Secretary to state the purpose of the meeting. Ms. Sause indicated that the Special Meeting of the Redevelopment Agency was for the purpose of participating in the joint public meeting with the City Planning Commission to consider the certification of the Final EIR for Yerba Buena Center.

Minutes of a Special Meeting, March 14, 1978

In response to Commissioner Dearman's inquiry, President Wexler indicated that the chairman for the meeting was in accordance with the procedures adopted on February 9, 1978 for the joint public hearing on the EIR which established that the chair would alternate for each day's session between the Planning Commission and the Agency. He noted that he had had the privilege of chairing the previous meeting and believed it would be appropriate for Ms. Ina Dearman, the Vice President of the City Planning Commission, to Chair this meeting in the absence of Planning Commission President, Mr. Toby Rosenblatt.

RULE OF CHAIR: President Wexler indicated that, subject to the objection of any Commissioners, he would turn the chair over to Ms. Dearman. There being none, it was so ordered.

Acting President Dearman read a statement which indicated that the purposes of the joint certification meetings were to consider and evaluate the Final EIR for Yerba Buena Center, and determine whether (1) it is adequate, accurate, and objective; (2) has been completed in compliance with the California Environmental Quality Act of 1970 as amended, the State EIR Guidelines, Chapter 31 of the San Francisco Administrative Code, and the San Francisco Redevelopment Agency Resolution No. 59-77 relating to the preparation of environmental impact reports; and (3) whether it complies fully with the standards of adequacy set forth in the State EIR Guidelines.

Acting President Dearman's statement also recalled the events that had preceded the joint certification meeting. These included the work of the staffs of the Agency and the Office of Environmental Review from May, 1977, to January, 1978, to prepare the Draft EIR. She noted its publication on January 6, 1978, which invited public comment pertaining to the document's adequacy, and that on February 9, 1978 a joint public hearing had been held and public written comment had been received until February 25, 1978. These comments had been evaluated by the staffs and the consultants and provided to the Commissioners for their consideration. She noted that it was the recommendation of staff that the meeting today be devoted primarily to review and consideration of significant public comments on the Draft EIR. Acting President Dearman noted that the meeting would be taped and transcribed and that only one speaker would be recognized at a time.

Mr. Thomas G. Conrad, Chief, Planning, Housing and Programming noted that the Commissioners were being asked to consider the various elements of the Draft EIR including the "Errata and Clarifications" which addresses such materials as typographical errors and misprints. In addition, the Commissioners would be asked to consider the comments and response which they had received on March 7 which are now entitled Section XV of the Final EIR. Mr. Conrad entered the Final EIR into the record as Exhibit No. 2. He noted that the City and Agency had agreed to act jointly as lead agency in the preparation and review and certification of the Yerba Buena Center EIR and entered a copy of the executed agreement of act jointly as lead agency into the record as Exhibit No. 3. Mr. Conrad also submitted the draft Agency Resolution No. 56-78 into the record as Exhibit No. 4, noting that it represented the staff recommendation for the procedural findings and certification of the Final EIR. Acting President Dearman thanked Mr. Conrad and asked Dr. Selina Bendix, Environmental Review Officer, Department of City Planning, to make additional comments on the materials analyzed in the EIR.

Minutes of a Special Meeting, March 14, 1978

Dr. Bendix indicated that the EIR primarily concerned the proposed convention center in the context of four alternative plans and possible variances of these plans. She noted the evaluation and assessment of the environmental impact of each of the proposals and the basis for the recommendations contained in the EIR. She then presented a draft resolution for consideration of the City Planning Commissioners and entered this resolution into the record as Exhibit No. 5.

Mr. Conrad then came forward and elaborated on the findings and the identification of any significant effects on the environment. He noted that the firm selected jointly by the City and Agency, Environmental Science Associates of Foster City, California, had aided the staffs in preparation of the report. The consultants had also worked with Federal and State agencies as well as local entities to obtain input in their proposals. Mr. Conrad noted that the data gathering process included conducting three general public hearings, July through October, 1977, and six separate meetings with various interest groups. He noted that a notice of the public hearing conducted on February 9 had been published in the Examiner on January 6, 1978, and entered a copy of the notice in the record as Exhibit No. 6. Mr. Conrad also indicated that notices had been posted in areas where the hearing was to be held and submitted a copy of those notices as Exhibit No. 7 and a copy of the City Planning Commission's Hearing notice as Exhibit No. 8. Mr. Conrad noted that finding No. A-1 required that: "From May 1977 to January 1978 the staffs of the Redevelopment Agency and the Office of Environmental Review and the Department of City Planning in coordination with their consultants, Environmental Science Associates, Inc., jointly prepared the Draft Environmental Impact Report for Yerba Buena Center."

Dr. Bendix requested that the page of the EIR log from the Department of City Planning be entered into the record as Exhibit No. 9. This log page contained the entry for this project indicating that on July 29, 1977, a notice was published that an EIR had been required for the project and that a hearing was held on February 9, 1978. Dr. Bendix indicated that Finding No. A-2 required that the Draft EIR be in conformance with State guidelines, and one of the key provisions of those guidelines concerned consideration of each element. She stressed her belief that one of the most notable things about this particular EIR was its completeness. She noted that it exceeds the detail provided in the conventional EIR format. She stressed that in addition to all of the required sections it contained an exhaustive review of all alternatives of environmental considerations. Dr. Bendix indicated the extensive distribution of the Draft EIR. She noted that it had been sent to City, State, Regional and Federal agencies plus a large number of private organizations and individual citizens. She noted that the Draft EIR was mailed by first class mail to 382 addressees, and during the public review period 74 complete sets of the Draft EIR had been distributed to interested individuals and organizations in response to their requests. Dr. Bendix then entered into the record as Exhibit No. 10 the photocopy of the notice of completion of the Draft EIR which had been submitted to the State Resources Agency in January, 1978. A list of the persons to whom the Draft EIR had been submitted was entered into the record as Exhibit 11.

Mr. Conrad commented on the proposed Finding No. A-4 which pertains to the time during which the draft EIR was available for public review. He noted that this extended from January 8, 1978 through February 25, 1978. Mr. Conrad also noted that Finding No. A-5 concerned staff evaluation of all comments received during the public review

Minutes of a Special Meeting, March 14, 1978

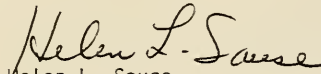
period. He reported that all comments were on file at the Department of City Planning and available for public inspection. Finding No. A-6 specifically concerns the addendum to the Draft EIR and contains the responses to the comments raised during the public hearing as well as the errata clarifying clerical errors. Mr. Conrad indicated that Finding No. A-7 concerned the adequacy responses to the significant comments. Mr. Conrad noted that A-8 addresses the fact that the Commissioners have received but have not yet had adequate time to evaluate the "Errata and Clarifications." Therefore, this material will be considered at the joint public hearing on March 23 1978. Finding A-9 concerns the public hearing comments numbered consecutively 1 through 54.

At this time the Planning Commissioners indicated that they would lose their quorum within a few minutes and after discussion it was decided that the two Commissions would again meet on March 15, 1978.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Shelley, and unanimously carried that the joint meeting of the San Francisco Planning Commission and Redevelopment Agency be continued until March 15, 1978, at 5:00 p.m., 939 Ellis Street, 7th Floor Conference Room. The meeting adjourned at 5:40 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen L. Sause". The signature is written in dark ink and is positioned above the printed name and title.

Helen L. Sause
Secretary

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15th DAY OF MARCH 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in Special Meeting at 939 Ellis Street in the City of San Francisco, California at 5:00 o'clock p.m. on the 15th day of March 1978, the place, hour, and date established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist

and the following were absent:

Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Susan Bierman, George Carey, Ina Dearman and Charles Starback, Department of City Planning.

Mr. Wexler announced that this meeting was the continuation of the Special Meeting of the San Francisco Redevelopment Agency convened March 14, 1978, for the purpose of participating in a joint public hearing with the Planning Commission of the City and County of San Francisco to consider the certification of the Environment Impact Report (EIR) for Yerba Buena Center.

The Planning Commission convened its Commissioners into the Special Meeting after calling role. Mrs. Dearman, Acting Chairperson, indicated that they were ready to proceed with the special hearing.

President Wexler noted that in accordance with the procedures agreed upon for conducting the joint EIR meetings, the Redevelopment Agency would chair this joint meeting. President Wexler indicated that at the time the meeting of March 14, 1978 had been recessed Thomas G. Conrad, Chief, Planning and Programming, had been in the process of concluding the staff presentation. President Wexler requested Mr. Conrad to come forward and complete his presentation.

Mr. Conrad and Dr. Selina Bendix, Officer of Environment Review, concluded the staff presentation and recommended approval of the Report.

President Wexler then indicated that he would open the meeting to discussions by the Commissioners of both the San Francisco Redevelopment Agency and the City Planning Commission, and that discussion by both bodies would be appropriate. Such discussion would cover both the context and adequacy of the final EIR and that particular emphasis would be given to the document entitled "Comments and Responses".

President Wexler noted that there may be persons from the public that the Commissioners may wish to invite to comment on responses to their initial presentation made during the public hearing concluded on February 9, 1978. He noted that at the conclusion of

the Commissioners' discussion there would be an opportunity for such persons to be questioned.

Commissioner Bierman inquired if the Commissioners wished to withhold consideration of the Errata and Clarification portion of the EIR until the meeting of March 23, 1978, to permit additional time to evaluate that document before opening it to discussion.

President Wexler indicated that a decision should be made on that issue after the Commissioners had agreed upon the procedures for today's meeting.

Rule of the Chair: President Wexler indicated that subject to objection, the proposed procedure for this meeting would be in effect. There being none, it was so ordered.

He inquired if any Commissioners or staff would have any problem deferring questions on the Errata and Clarification until the next meeting on March 23, 1978.

Mr. Conrad came forward and indicated that he believed this presented no problem since it was intended that the public and Commissioners would have a minimum of seven days to review the material contained in the Errata and Clarifications.

Dr. Bendix concurred in this statement, but stressed that it should be understood that none of the comments should be construed as a public hearing. She advised that the Commissioners' role was to consider the material supplied and staff would be available to respond to any questions. President Wexler indicated that he would not be present to chair the meeting on March 23, 1978, but asked the Commissioners if they objected to deferring discussion of the Errata and Clarification until that meeting.

Rule of the Chair: There being no objections to withholding discussion of the Errata and Clarification until the meeting of March 23, 1978, it was so ordered. President Wexler opened the meeting to the Commissioners for comment.

Discussion then followed with Commissioners inquiring about the economic proposals for the project and the potential use of the exhibit hall. Response was made by appropriate consultants and staff.

At 6:45 p.m. President Wexler proposed that the Commissioners recess the hearing for one hour. He indicated that the individual Commissions would each have to separately make such a motion. The Planning Commissioners indicated by motion that they had no objections to a one-hour recess.


MOTION: It was moved by Ms. Berk, seconded by Ms. Shelley, that the Special Meeting of the San Francisco Redevelopment Agency be recessed for a period of one hour, until 7:45 p.m., at which time consideration of the Yerba Buena Center Environmental Impact Report would resume. President Wexler noted that Mr. Richard Sklar, Director of Projects, Waste Water Management, had inquired about the number of questions that the Commissioners still wished to ask. After discussion, the Commissioners indicated that there were only two questions yet to be answered. President Wexler suggested that rather than recess the meeting, these questions be answered and the meeting then recess until March 23, 1978. Ms. Berk and Ms. Shelley withdrew their motion, as did the Planning Commissioners, and following the remaining questions, President Wexler indicated that he would entertain motions to continue the joint certification meeting and the respective Special Meeting of the two bodies until Thursday of next week, March 23, 1978, at 4:30 p.m., at which time the discussion and evaluation of the Final Environmental Impact Report would continue.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the Joint Certification Meeting for the EIR for Yerba Buena Center be continued to 4:30 p.m., Thursday, March 23, 1978, at City Hall, Room 282.

ADJOURNMENT

MOTION: It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF MARCH, 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of March 1978, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Joan-Marie Shelley, Acting President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

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and the following was absent:

Howard M. Wexler, President
Dr. Hannibal A. Williams

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The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, Teall Henderson, Wade Woods, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Elouise Westbrook, Julie Commer, Willa Jones, Shirley Jones, Oceola Rogers, Claude Carpenter, Bayview-Hunters Point Joint Housing Committee; Emory Curtis, Curtis Associates; Charles Walker and Betty Davis, Hunters Point interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; and Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of February 28, 1978 and the Regular Meeting of March 14, 1978, as distributed by mail to the Commissioners, be approved.

Acting President Shelley announced that it had been learned that Dr. Williams was to have surgery for his continuing back problem. On behalf of all the Commissioners she wished him a speedy recovery, and hoped he would return soon.

SPECIAL APPEARANCES

- (a) Report on the status and progress of Messrs. Byron Nishkian and Harold Moose concerning their continuing interest in the Northwest corner of Fourth and Howard Streets, Yerba Buena Center.

Acting President Shelley indicated that a request had just been received from the parties involved, to hold this matter over one week and subject

SPECIAL APPEARANCES (continued)

to objections from the Commissioners the item would be held over. There being no objection, it was so ordered.

- (b) Acting President Shelley indicated that a request to appear before the Commissioners had been received from a resident of the Hunters Point area, Ms. Betty Davis. Ms. Davis came forward and indicated that she was President of the Concerned Citizens of Hunters Point which had concerns about the criteria used in selecting applicants for housing. She urged that a staff person be placed on the Joint Housing Committee (JHC) to work on the needs of those requiring housing. Mr. Hamilton indicated the matter had been brought to his attention and was under consideration by himself, Mr. Earl P. Mills, Deputy Executive Director, Community Services, and Mr. James Wilson, Area Director, Hunters Point/India Basin. He suggested that her group also work with the JHC which is the official citizen participation organization in Hunters Point. She indicated that concerns about the JHC were part of their problems. Mr. Hamilton asked if anyone were present from the JHC who could comment and again pointed out that these concerns should be discussed with the JHC which is the Agency's contractual community representative group.

Mr. Hamilton pointed out that citizen participation was of the utmost concern to the Agency but since the Agency had a contractual relationship with the JHC for representation in the area involving such matters as Ms. Davis referred to, the Agency desired to know the position of the Committee and he inquired if there was a spokesperson present who could advise him what position the Committee had on this issue.

Mr. Claude Carpenter came forward and indicated that some of these concerns had previously been brought to the attention of the JHC but the Committee did not have the solution to housing problems. He indicated that people who live in the area are low-income people and the housing program is not meeting their needs because they are on welfare or not in the project area. The policy has been to have such applicants wait until the end of the rent-up, but now it does not appear that they will obtain apartments in the community. He did not believe the JHC had the expertise to reach a solution in this matter and he requested that an expert be assigned to work with the Committee on this issue. He indicated that even though he represented the Committee, he was unable to explain why people could not get into housing in Hunters Point. He believed that the program was not sensitive to the needs of low-income families.

Acting President Shelley requested clarification of the problem and inquired if it resulted from a shortage of housing or the manner in which it is allocated to applicants, and Mr. Carpenter indicated it was both of these, as well as the method of rent up and the qualifications established for applicants. He expressed concern that there was no housing for low-income families, who fail to understand why they do not qualify and indicated that working people had no problem getting the apartments. It was his belief that there should be a balanced community. He believed that this information should be dispersed to the residents and that he would also like to know what he was trying to do. He preferred not to have to inform people that they were in the wrong income bracket.

Acting President Shelley expressed the view that the Commissioners were desirous of being sensitive and responsive to the concerns of the Hunters

SPECIAL APPEARANCES (continued)

Point community and have directed staff to meet with the community group officially designated as the Joint Housing Committee to work on increasing the amount of housing available. She believed that the problem results primarily from the failure of the Department of Housing and Urban Development (HUD) to release funds for such housing. She noted that staff expertise would be made available to the JHC and that Mr. James Wilson, Area Director, and Mr. Earl Mills, Deputy Executive Director for Community Services, are to be contacted for such assistance.

Mr. Hamilton indicated that staff shared the community's concerns about these issues and indicated that there had been a meeting with the JHC where he had suggested to Mr. Carpenter that the Committee needed to actively involve itself since he had perceived a lack of information on the rent-up was evident. He also noted Mr. Wilson was actively involved in pursuing this and any information or assistance will be provided by either him or Mr. Mills, but primarily it was Mr. Wilson's area of responsibility.

Mr. Charles Walker came forward and indicated that most of the people serving on the JHC were not familiar with the construction, and therefore had difficulty in understanding the problems of housing and he believed that a construction expert should be hired to advise the Committee. He suggested that people could begin moving into units before they were finished and thus have housing while the work was being finished. He also expressed concern that there was no quality control and alleged that the units were improperly built, workmanship was inferior, and that the Agency was not inspecting the units to see that they were right.

Mr. Carpenter concurred that the Committee was unable to deal with the matter and needed an advisor. Acting President Shelley inquired if they were proposing an amendment to the agreement between the Agency and the JHC, and Mr. Walker responded that all they wanted was to add an advisor to the Committee's staff so that he could require the contractor to expedite construction of units and make them available for people. Mr. Carpenter indicated that since Mr. Wilson worked for the Agency, there was a conflict of interest and people did not have confidence in him because he could not provide advice contrary to the Agency's program.

Mr. Hamilton indicated that the Agency works with on-budget totals and if there is the position of a construction expert needed for the JHC staff the Committee should request such a position. He had no knowledge of such a request to date. As for quality control, these issues have been brought up before and discussed thoroughly, but the matter before the Commissioners now appears to be a question of rent-up procedures and policy on how applications are processed, as well as the criteria for applicants' qualifications. Mr. Hamilton indicated the Agency had a management staff charged with responsibility of seeing that every application is from a qualified person who has been displaced and is entitled to preferential treatment because of this displacement. If this has not been the case, then Mr. Hamilton was unaware of it. If there are improper cases, Mr. Hamilton asked that specific names and situations be sent to the attention of either himself, Messrs. Mills or Wilson. Mr. Walker indicated that even if there were twenty qualified people there would still be a long waiting list, because housing was not being developed as quickly as it should be. Acting President Shelley indicated that if the JHC believes that the position of advisor is a necessity then it could be included in the next budget request and she inquired when this would be. Mr. Mills indicated it would be at the end of

this year, since a new contract with the Committee had just been approved in December. Mr. Walker reiterated his request that there be an independent person to advise the Committee.

Mr. Hamilton stressed his reluctance to move families into unfinished housing because this was asking for problems. Normally, it is the builder or developer who is most concerned about getting people into the units as soon as possible because it is in his financial interest to do so. The Agency policy is not to permit people to occupy a building until there is a certificate of completion. Mr. Walker's request, therefore, is contrary to regulatory controls and the best interest of the people in the community. Acting President Shelley inquired if there would be any way to add the position to the present budget or only when the year runs out, provided the Committee makes a request for the position. Mr. Hamilton responded that the Commissioners may at their discretion amend contracts within the budgetary limitation available but he would like to have Mrs. Jane Hale, Assistant Executive Director for Finance and Administration, comment on budget availability and Messrs. Mills or Wilson to advise him of their findings with respect to the necessity of funding this position provided the Committee submitted its request of need.

Mrs. Elouise Westbrook of the Joint Housing Committee came forward and indicated that she concurred with Mr. Walker's statements. She believed that the Department of Housing and Urban Development (HUD) had halted the remaining housing which made it impossible for the JHC to try and secure housing. She believed that most of the young people in the community were unfamiliar with HUD guidelines and did not understand the methods of City inspection and quality control. She claimed there was discrimination in the quality of housing provided Hunters Point as compared to other areas and that the Agency had been the one designated to help obtain decent and sanitary housing in Hunters Point when the former Mayor John Shelley and the City wanted to remove the wartime housing. She indicated that even though the area is being built up there is still a lack of four- to five-bedroom homes. She believed that community people had been successful in obtaining \$30 million from HUD and were instrumental in seeing that better housing was built according to the Master Plan. She did not wish to see community people fighting among themselves and believed the fight should be with HUD. She believed the issue of integration actually concerned an economic rather than a racial connotation and that HUD should be expected to recognize this. She noted that the Agency was the only agency which had come out to Hunters Point to help the people get housing. Acting President Shelley thanked her and assured her that the Commissioners shared the community's dedication to solve the problems of housing in Hunters Point.

Ms. Osceola Rogers came forward and passed out a communication to the Commissioners which indicated that she wished the Hunters Point housing to be modernized and additional housing provided.

Ms. Julia Commer came forward and indicated concern that the community has to continue to press its needs. She referred to one case where the family could not find housing and had to be separated and was living with others. Another instance was that although new homes were being built the Unified School District was about to close one of the schools which she believed was an unfortunate act since education was necessary. She also believed that in the new parks being built, restroom facilities were necessary.

SPECIAL APPEARANCES (continued)

Ms. Blomquist suggested that when the community meets with the JHC and Mr. Wilson that there be a representative from the National Housing Partnership present and also suggested that the need for information be provided the community through the means of a newsletter or brochure.

Mr. Walker asked that the Commissioners come to Hunters Point to inspect the new buildings to see the poor workmanship and repairs that are needed and also to see for themselves the need for more housing. He referred to the family that was separated and asked that this family be given a place to live. Mr. Hamilton apprised Mr. Walker of the City's Central Relocation Services under the direction of Mr. Mills and suggested that Mr. Walker provide Mr. Mills with the specific facts of that case. He indicated that a determination would have to be made to know whether that family was eligible for occupancy since it may exclude someone with a legal right to a unit who was already living in the area. He indicated that a private developer or owner could not be compelled to take someone unless that person qualifies as a former resident of the area. Mr. Hamilton again suggested that the matter be referred to Mr. Mills, and Acting President Shelley concurred. Mrs. Westbrook indicated that there were people who had lived in the housing when the project first started who were not certified for eligibility for relocation benefits and had moved out and that there were people who were children then and now grown and needed housing. She indicated that their parents were in the project before redevelopment commenced and the children may not have certificates but she believed they had a right to return. Mr. Hamilton indicated any special case should be referred to staff.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) This morning Mr. Hamilton indicated he had participated in a San Francisco Forum discussion which was the second session on housing problems in the city. One issue of consideration was the consolidation of the San Francisco Housing Authority and the Agency and the predominant view was that such merger or reorganization was not in the best interests of the City's housing program.
- (b) Supervisor Quentin Kopp's resolution concerning the proposed dissolution of the Agency with the Board of Supervisors assuming that role was withdrawn by Supervisor Kopp at the Board of Supervisors' Planning and Development meeting. He appeared personally and explained his belief that improvements in the Agency's manner of conducting its program had occurred to obviate the resolution he had proposed earlier.
- (c) Mr. Hamilton announced that in the Executive Meeting of March 14, 1978, Resolution No. 57-78 appointing Mr. Redmond Kernan as Deputy Executive Director has been adopted.

UNFINISHED BUSINESS

- (a) Resolution No. 1-78 declaration of policy with regard to Agency procedure in connection with the granting of variances from Redevelopment Plan requirements.

UNFINISHED BUSINESS (continued)

This concerns adoption of a policy for granting of variances from the Redevelopment Plans requirements by eliminating duplication of public hearings and providing that where there is less than a ten percent deviation from Plan requirements, public hearings and notification of property owners within a 300-foot radius may not be necessary at the option of the Executive Director.

Ms. Blomquist inquired how the ten percent deviation was determined, and Mr. Thomas Conrad, Director of Planning and Development, explained that this was a numerical value based on side yard requirements, or open space requirements, as assigned in the Redevelopment Plan minimum of a six-foot setback. Ms. Blomquist indicated her understanding that this would be ten percent of whatever the requirement was, and Mr. Conrad concurred noting that this would be at the discretion of the Executive Director.

ADOPTION: It was moved by Mr. Lee and seconded by Mr. Glickman that this resolution be adopted.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and indicated that she had some problem with variances and what such changes would mean to the community, if people were not to be notified of proposed changes. Acting President Shelley noted that the requirements for the public hearings would meet such concerns. Mrs. Rogers asked for further explanation of the issue, and Ms. Blomquist indicated that the proposal would reduce duplication of what the Planning Commission had already accomplished by its own public hearing. Mr. Hamilton indicated that in addition to public hearings, the Agency should continue to notify WAPAC when it requested the Planning Commission to act on a variance. Ms. Blomquist suggested an amendment to the resolution indicating that such notification of public hearing be mailed not less than ten days prior to the date of the hearing to the applicant or any other person or agency initiating the action. Mr. Lee indicated his understanding that this was automatic, and Mr. Conrad concurred.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

NEW BUSINESS

- (a) Resolution No. 59-78 approving Change Order No. 24-2 to Personal Services Contract No. 24, Hunters Point Approved Redevelopment Project Area.

This item deals with clarification of disbursements allowed for the Genge contract by approval of Change Order No. 2 and permits disbursements up to \$3,193,000 which includes an amount of \$389,000 for reimbursable architectural fees. The contract will ultimately not exceed the amount of \$2,803,000 which is the total authorized by the Commissioners. The intent of the change order is to clarify the amount of disbursements. Ms. Berk questioned if the amount of money authorized remains the same but is money which is paid back to be recycled and asked about the origin of this proposal. Mr. Hamilton responded that before money is expended totally, the Agency would be reimbursed and receive money for architectural fees of \$389,000. Already disbursed is \$206,000 from mortgage proceeds of Sites A and B of Phase II and the remaining \$183,000 will come from Sites C, D and E. This clarification will enable the Controller to write checks totaling

NEW BUSINESS (continued)

approximately \$3,192,000 but the net expenditures under this contract will not exceed the original authorization of \$2,803,000. Ms. Blomquist asked why a new contract could not be executed for these funds and Mrs. Hale indicated this matter concerned funds authorized in the present contract but she could not issue a check for more than \$2,803,000 without the Commissioners' authorization. The total authorized expenditure is \$2,803,000 and the repaid money exceeds that amount. In response to Ms. Blomquist's question, Mrs. Hale indicated that the money comes back to the Agency when the escrow closes and the matter is now at this point. Mr. Glickman indicated that authorization is needed to make the payments but asked what would happen if this was not done, and Mrs. Hale replied that the work would have to be stopped. Ms. Blomquist indicated that she did not understand what she was authorizing and asked that the item be held over. Ms. Blomquist indicated that she had read the memoranda of July 13, and August 13, 1977 but still did not understand the necessity for the change order and suggested that she meet with him and go over them. Mr. Glickman expressed concern that the housing would be delayed if the contract were held over one week, and Mr. Kernan indicated that a one-week delay would be the longest time there could be no action without stopping the work. Acting President Shelley indicated that at the request of Ms. Blomquist the item would be held over one week.

- (b) Resolution No. 62-78 authorizing the Executive Director to enter into a lease agreement with the New Breed Community Development Corporation for the utilization of cleared Agency-owned land in the Hunters Point Approved Redevelopment Project Area.

Mr. Hamilton indicated that this item represented a lease agreement for land to be used by the New Breed Community Development Corporation for a gardening training program for ten young people of the community. The program will be funded by Community Employment and Training Act (CETA) and the garden plot to be used is located behind the Jedediah Smith School along the northwest line of Keith and fronting on Hudson Avenue. The agreement is on a rent-free basis for a one-year period. Ms. Blomquist complimented the staff on the reuse of vacant land.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 60-78 approving and authorizing the Executive Director to execute an agreement with the Pacific Gas & Electric Company for undergrounding of the overhead electric facilities at Cargo Way in India Basin Industrial Park Approved Redevelopment Project Area.

This concerns an agreement with the Pacific Gas & Electric Company for undergrounding electrical facilities at Cargo Way in India Basin Industrial Park. The Agency is required to pay for such conversion work and the cost is a nonrefundable amount of \$70,032. In addition, the Agency will be required to pay costs for work related to this installation which is estimated to cost \$105,000. This work will be included in a future site improvement contract. Ms. Blomquist indicated she had received no map and inquired where the work was to be done, as well as what had already been done. Mr. Frank Cannizzaro, Project Engineer, explained that the agreement

provided for an underground 12KV power line on the south edge of Cargo Way. The Agency will soon be going out to bid to finish Cargo Way.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 50-78 authorizing execution of an agreement for services with Fullerton-Mills, Inc. Bayview-North Expanded Planning and Survey Area.

This item represents a contract with Fullerton-Mills, Inc. for consultation services for additional area added to the Bayview-North project. In addition to providing consultation on disposition values and analysis of land absorption, the consultant will provide services to develop project rehabilitation standards. The contract is for a fifteen-months' period for an amount not to exceed \$13,000.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 61-78 ratifying the action of the Executive Director in negotiating agreements for repair work at 1531 Sutter Street and authorizing payment for the work performed, Western Addition Approved Redevelopment Project Area A-2.

This concerns ratification of action of the Executive Director and expenditure of funds for removal of life safety hazards from 1531 Sutter Street in the Western Addition A-2 project area. This matter was discussed at a meeting of May 24, 1977 and staff then negotiated with Seiki Brothers Plumbing Company to do the necessary plumbing for \$2,922.35. The same action occurred with Soko Electric Company for required electrical corrections for \$2,210. Removal of the hazards was ordered by the Superior Court of the City and County of San Francisco, and the Bureau of Building Inspection has determined that these hazards have been removed.

Acting President Shelley inquired why these actions were negotiated directly with the firms doing the work and not put out to bid on a competitive basis. Mr. John Friedman, Assistant Director, Community Services, explained that because a Court order was involved and it was more expedient to negotiate for this work than to go through the bidding process to remove the life safety hazards. Acting President Shelley inquired why these two firms had been selected, and Mr. Friedman responded that they were familiar with the building and were available to do the work, and also were area-based contractors.

Acting President Shelley inquired why the matter had come up for ratification at this time rather than shortly after the work was performed and Mr. Hamilton responded that it was a matter of urgency which had been reported to the Commissioners at the time authorization was sought to proceed. In matters of life safety hazards, this procedure is quicker than going through the bidding process when it is Court ordered. Ms. Blomquist inquired why the matter came at this time rather than ten months later, and Mr. Friedman indicated that final approval of the work was not obtained until December, and Mr. Mills noted that the work had to be certified by the building inspectors after it was completed and no payment could be made until this has been done. Mr. Lee inquired about the maximum amount that could be authorize for such emergency

contracts without going through the bidding process, and Mr. Hamilton replied that this was property management and not construction and in this case the Agency has the capacity to negotiate. If the work exceeded more than \$2,000 to \$3,000 it would be brought before the Commissioners. Ms. Berk indicated her understanding that where life safety hazards existed these must be corrected immediately and there must be a determination made that these no longer exist. Mr. Mills confirmed this and added that there had also been a problem in obtaining the billing.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 64-78 award of Site Improvement Contract No. 28 to Watkin and Bortolussi, Inc. Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this concerned award of Site Improvement Contract No. 28 to the lowest of three bidders, Watkin and Bortolussi, Inc., for \$36,925 for planting of 175 street trees in the area adjacent to development in Western Addition A-2. A fourth bid was received but lacked an adequate bid bond and therefore could not be considered, according to the opinion of the Agency's General Counsel. Bids ranged from \$36,925 to \$56,412. Ms. Blomquist indicated this worked out to \$211 for each tree and asked if the trees were guaranteed to live. Mr. Thomas Roberts, Project Engineer, responded that the trees come in 15-gallon tubs and are from six to eight feet high, depending upon the variety and availability of the trees. There is a two months' guarantee period for them to be established and after this period they are then turned over to the City for maintenance. Mr. Lee questioned the amount of the inadequate bid bond submitted and Mr. Roberts explained that it was \$3,000 on a \$31,500 bid but the contractor had made the error in putting together his bid hastily and was unable to get an additional bond.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 58-78 authorizing the Executive Director to enter into a contract for delivery services for the Agency.

This represents an agreement with Adolphe Philoxine, owner of the On-Target Delivery Service, to provide delivery service of mail for \$1,000 per month for one year, which include a twice-a-day delivery between the site offices and the central office, pick-up of mail at City Hall, and pick-up of mail at two post offices. This service was formerly provided by a staff person at a cost of \$1 548.50 monthly which effects a savings of \$548.50 monthly and also frees up another car for Agency use. Mr. Philoxine had performed these services on a trial basis and has been dependable and efficient.

Ms. Shirley Wysinger, President of Local 400, came forward and expressed concern that this would eliminate a staff position within the bargaining unit. It was her understanding that this was because there had been trouble in supervising the former employee but she did not believe this was a sufficient reason to eliminate a staff position. Also, in regard to the Agency automobile, she believed there was seldom a car available in most instances

NEW BUSINESS (continued)

she had to use her own car. With the recent appointment of Mr. Kernan, in her opinion the Agency was not saving anything at all and it was her understanding that the position of Deputy Executive Director had been eliminated through the Civil Service review. Acting President Shelley noted that these were unrelated items and inquired if the staff had met with the bargaining unit regarding elimination of the messenger's position and Mr. Hamilton responded affirmatively. Ms. Wysinger indicated there had been no agreement. She indicated that the connection between the two issues was the salary of the job position and the fact that people needed jobs. Acting President Shelley indicated that the promotion of one employee did not necessarily mean the termination of another, and Ms. Wysinger indicated she had not implied that. She requested that the resolution not be adopted, because she believed problems had occurred because of supervisorial inadequacy.

ADOPTION: It was moved by Mr. Glickman and seconded by Mr. Lee that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee

and the following voted "Nay":

Ms. Shelley

and the following abstained:

None

The Acting President thereupon declared that the motion carried.

(h) Resolution No. 63-78 travel authorization.

This is a request for travel of Mr. Ben Miller, Business Development Specialist, to attend a three-day workshop from March 28 through March 30, 1978 in Atlanta, Georgia sponsored by the National Urban Development Services Corporation of Washington, D.C. and Atlanta in cooperation with a group of public and private agencies of the City of Atlanta. The workshop will focus on business development with inner cities and neighborhoods with the object of bringing minority groups into development and operation of shopping centers, such as the Fillmore Center. The trip will not exceed \$800.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

(a) Acting President Shelley indicated that a letter had been received from Mrs. Rogers of WAPAC, addressed to President Wexler, requesting a date for convening a community meeting in Western Addition A-2 on the subject of the adequacy of representation of the present WAPAC Board of Directors.

MATTERS NOT APPEARING ON AGENDA (continued)

Mrs. Rogers requested a specific date for the meeting so that the Board may set a date for its annual election convention which will follow the community meeting. Mr. Hamilton indicated that he would meet with Mrs. Rogers and let her know within a few days when the matter will be considered. Acting President Shelley indicated that this should be announced at an early Agency meeting.

- (b) Presentation of the Urban Development Action Grant (UDAG) application to generate development in the Fillmore Center.

Mr. Hamilton indicated that staff had been involved in preparation of an application for UDAG funding to be used in the Fillmore Center in Western Addition Area A-2 in accordance with a time schedule established by the City. He noted that the draft and preliminary form of application has been forwarded to the Commissioners. He indicated that there were some aspects of the application with which WAPAC did not agree and that staff had met and discussed this with WAPAC and had also asked Mr. Emory Curtis of Curtis & Associates to review the report. Mr. Hamilton indicated that Mr. Thomas Conrad, Chief of Planning, Housing and Programming, would make the presentation.

Mr. Conrad indicated that it was the Agency's intention to bring back to the Fillmore area the former businesses possessing the economic vitality to benefit the Western Addition community and the Fillmore Center. These returning retail businesses, as well as offices, will be provided the opportunity to own their own commercial facilities by means of a lease-purchase in a commercial condominium. The Agency would act as a developer of the last resort and the UDAG funds would be used to provide a catalyst for private capital to return to the Fillmore.

Mr. Conrad stated that the Agency was in a competitive posture with other entities in the City and the Office of Community Development (OCD) was the office dealing directly with HUD on this matter. The Agency's proposal is for the construction of an 88,000 square-foot commercial space, to be built under a lease-purchase arrangement. This development would provide 30,000 square feet for a supermarket, plus additional office space in the area of Ellis and Turk at the south end of the project. In addition, there will be 52 townhouses built on individual lots located around Sutter and Webster Streets for upper middle-income families in the sales range of \$59,000 to \$65,000. It is recommended that parking facilities should be owned and maintained by the Fillmore Center Economic Development Corporation, which could work with the Agency to construct Phase I of the Fillmore Center. The purpose of owning all parking facilities would insure that this surface parking remains an integrated and flexible part of the shopping area; however a structure could be built on the same land if the market indicates the need for this in the future. Mr. Conrad indicated that the Fillmore Center needed a major focal point on Fillmore and indicated where Fulton to Bush streets would be a tree-lined corridor with street benches and other amenities. He noted that the regulations permit UDAG funds to be spent either within the area or outside so long as the expenditures benefit the Center. Phase II of the project will provide more office and commercial space. The Municipal Railway substation at Turk and Fillmore Streets was believed to be excessive to the needs of the Muni Railway and the building may be rehabilitated as an historic structure. It could be part of the neighborhood to the north and used for commercial office space. The application deadline established for the application was March 10, 1978 and the

preliminary application was submitted to the Mayor's Office of Community Development on that date, and then hearings took place on March 15, 1978. The application is then scheduled to go to the Board of Supervisors on March 30, 1978 and after its consideration, the final application will be forwarded to HUD on April 28, 1978. After submittal, applicants receiving UDAG funding should be notified within sixty days, or approximately by June 30, 1978. Mr. Conrad indicated that the project could be under construction by September, 1978.

Acting President Shelley referred to the Agency's cover letter in which the phrase "This body will then select what they consider to be worthwhile requests and submit to the Board of Supervisors on March 30, 1978." She inquired what body this was, and Mr. Conrad replied that this was the UDAG Task Force created by the Office of Community Development to evaluate the UDAG funding requests. This Task Force would hear this as well as other grant applications on March 15, 1978. Acting President Shelley then inquired the meaning of the statement on page 10 of the application which is as follows: "...the Redevelopment Agency has determined that it is necessary and appropriate for the Agency to assume the initial responsibility for the planning, development, and construction of the first phase of the Center." She asked how this determination was made, and Mr. Hamilton responded that this determination has not been made yet but had been anticipated as the result of a preliminary review, with the Task Force before the application was submitted in final form. He noted that the material had been sent to the Commissioners but formal consideration of the Commissioners was not required although it would have been expected they would state any position they wished to take. Acting President Shelley indicated that the opportunity for Commission comment had not been calendared, and Mr. Hamilton responded that an application of this nature does not require review of the Commissioners and was submitted to the Commissioners for their information, but if they preferred to act on it they could do so. Acting President Shelley expressed concern that since nothing was calendared, the Commissioners could not have made any determination prior to today. She believed that an application of \$10,668,188 requested by the Agency was a large policy determination and the Commissioners should be presented an opportunity to act on it. She noted that she had to leave the meeting shortly but had some questions which had quickly occurred to her. She referred to page 3 of Part III after page 13 in paragraph 6 entitled "Ownership of the Project When Completed," which states: "all improvements and facilities within the Fillmore Commercial Center project will ultimately be owned by either: (1) private entities through individual fee ownership, (2) business condominiums, or (3) a local development corporation. All parking lots will be owned by a local development corporation." She asked (1) what is going to make that happen, and (2) what would turn the tenants into owners, since the letters from them made no reference to that possibility. Acting President Shelley also noted that the pagination of the application made no sense. Mr. Hamilton indicated that the letters were being revised to provide for lease purchase rather than straight lease for tenants. It would also be an objective to provide an opportunity to everyone to become an individual owner.

Acting President Shelley referred to page 24 of the document which lists private participants who have provided evidence of commitment, as well as some who had not, and she asked what their current status was as well as the date of a legally binding commitment for these prospective occupants. Mr. Conrad commented that the pagination in the document resulted from the

fact that certain pages of HUD instructions had been dropped from the document so that there appeared to be no continuity to page numbering. The Mayor's OCD office had asked the Agency to use these particular forms so that what the Commissioners had today was a reflection of what the UDAG Task Force chaired by William Evers believed would be a feasible application.

He noted that there were many unknown factors since this was the first time such an application had been filed that may bring the City additional money. On page 24 there are four items representing existing disposition agreements which can be used under this program as a project commitment. These are from Dr. Carlton Goodlett, Franciscan O'Farrell Investment Company, Jonathan and Phillip Smith, and Jacqueline and Michael Conti, and they have submitted letters indicating interest in leasing space. The Task Force indicated it would be more helpful if the Agency could secure these letters indicating interest in optional purchase. Mr. Hamilton indicated that this was the only approach necessary at this stage of the application.

Acting President Shelley referred to page 44 and asked about assurances with respect to the governing body in the grant and Mr. Conrad indicated that the City was the applicant for the grant. She also inquired about Item 4 concerning citizen participation and public hearings, and asked if plans had been made and hearings scheduled for citizens. Mr. Hamilton responded that the City had the responsibility for this and had already partially completed the process, and that the March 23, 1978 hearing this week was a part of the citizen participation opportunities. Mr. Conrad indicated that the first hearing had been February 23, 1978.

Acting President Shelley asked if there were any correlation between the Curtis & Associates report on the Fillmore Center and the UDAG application as to recommendations on the Fillmore Center. She asked what policy would be followed by the Agency since she did not believe that the Commissioners had acted on the Curtis Report recommendations. Mr. Hamilton responded that the Curtis & Associates study was an economic report which had covered a broader area than the UDAG application which applies to a specific work program and that the Agency is not locked into any land use plan by the UDAG proposal. Ms. Blomquist indicated her belief that the UDAG application was developed in one week and did not take into consideration the recommendations in the Curtis Report. It was her belief that the policy making power of the Commissioners had been usurped and she would not move the approval of the UDAG application. Mr. Conrad indicated that a staff task force had worked on the application for two-and-one-half months and had focused on the study of specific issues, such as the heavy transportation which is carried through the area on Turk Street, the large number of additional housing units that created a substantial market not now served by commercial means, the magnetism of the Nihonmachi area, and the evaluation indicated that it was better to start work in the area farthest from Geary Street which is the opposite from the recommendation in the Curtis Report.

The Curtis Report had not anticipated the use of federal grant monies to influence private development in the area and this program would provide the capacity to draw the various facets together to generate private development in the Fillmore area. Mr. Hamilton indicated that the area was the least desirable for private development on the southern portion

and the northern portion was already well developed commercially.

Acting President Shelley inquired about the recommendation of the Curtis Report on page 2, Section 2 wherein it states that UDAG funds should be applied for to develop the air rights over Geary Street into the Fillmore Center and she inquired how to reconcile that with the proposed application. Mr. Hamilton replied that Mr. Curtis knew that UDAG funds would probably be available, although the actual timing was not known. He indicated that now the UDAG program has been developed he did not believe that Curtis would limit his application to air rights.

Mr. Glickman indicated that it was difficult to understand the detailed application and he had not had sufficient time to read the background information on this uncalendared matter. He indicated that in spite of the urgency involved, he was unprepared to raise adequate questions and did not feel comfortable in making a decision on such a major step without prior study. Mr. Hamilton agreed that the Agency had the same sense of unreadiness and stressed the newness of the program, however, the Agency did not have control over the timing, but was endeavoring to meet the application requirements with the best proposal possible under the circumstances. He indicated that the City controls the schedule and the final public hearing will be held March 23, 1978 and if an application is not submitted then the opportunity to obtain this funding is diminished. Mr. Conrad concurred with this conclusion and indicated that the UDAG applications were submitted on a quarterly basis and another opportunity would not occur until four months from now. In addition, the annual funding for the program is not divided into quarters but is on a first-come-first-served basis.

Ms. Berk also indicated that she did not now know the item was to be calendared, but if it were submitted it appeared to be possible to make some changes and she also noted that approval of the Commissioners was not required. Mr. Hamilton confirmed that the Commissioners did not have to act upon it, but it was thought desirable to send the application to them since it could become part of the Agency's program, and he wanted the Commissioners' insight. Mr. Lee concurred with the other Commissioners' statements regarding the lack of time for in-depth study of the application but it was his understanding that the issue was flexible and changes could be made when more definitive information was available. In addition, it apparently did not require approval of the Commissioners. Mr. Hamilton indicated it would be appropriate for the Commissioners to make a motion endorsing submittal of the application of the OCD. Acting President Shelley noted that she would have to leave early and that she would like to hear other comments on the application.

Mrs. Rogers came forward and indicated that her organization had some problems with the UDAG application and that WAPAC had just this afternoon received the revised proposal. She was concerned that the application did not address the issue of providing job opportunities or provision for the relocation of businesses. Also, the parking was to be above ground instead of underground, and she believed that land was too valuable for parking on top of the ground. She indicated that there should be public meetings in the community to provide an opportunity to review and discuss the total UDAG proposal. Ms. Blomquist asked if the Curtis & Associates

report had been seen by WAPAC and Mrs. Rogers indicated that it had been discussed and the concept supported. She indicated WAPAC was informed that the proposal could not be done and she did not endorse supporting only a concept as proposed in the UDAG application. Mrs. Rogers alleged that there was one consultant working with the Agency that was not sensitive to the needs of the community and asked that he not be sent back. Mr. Glickman indicated that the Agency was not fixed to a particular plan, but at the same time did not want to lose funds if applying for the UDAG permitted the Agency to retain flexibility in executing the plan. There was also the possibility that the funding would be unavailable. Mrs. Rogers suggested submitting a proposal during the next application period and forego this opportunity although she indicated that WAPAC did not wish to see any funding lost. Acting President Shelley indicated that everyone wants to see the development proceed in the Fillmore Center and hoped that the money would not be lost; however, she did not wish to set a precedent set whereby the Commissioners would be precipitated into something that they had no opportunity to evaluate. She suggested that the motions appropriate for the Commissioners appeared to be a motion to either support the application and submittal to OCD, or to allow the submittal without a motion, or else direct the staff to withdraw the application. Mrs. Rogers indicated that WAPAC did not want to miss the money but would rather wait until the next opportunity to apply than to have an application which did not meet WAPAC's approval.

Mr. Wade Woods of WAPAC came forward and indicated that the WAPAC would like to have the UDAG application provide for WAPAC to participate in a dual developer role. He alleged that Economic Development Administration (EDA) money had been lost and this HUD application was the only one available at this point. He believed that the commercial facilities should be developed and opposed the housing because he did not believe it would serve the needs of lower-income families. He alleged that the Agency was subsidizing upper-income family housing and expressed concern that there was no private sector commitment. He suggested that there be a hearing on the matter and he believed that once the proposal was submitted it could not be altered. Mr. Glickman inquired if the application was submitted whether the Agency would be unequivocally bound to the proposal and Mr. Hamilton responded negatively.

Acting President Shelley left the meeting at 7:00 p.m. and Ms. Blomquist assumed the Chair.

Mr. Hamilton stressed that this proposal did not lock the Agency into a configuration but that the proposal was only to seek funding to generate private development in the Fillmore Center. He indicated an urban design consultant would be hired just as there had been in other projects, who would develop a plan for the area. Acting President Blomquist inquired if the Agency was committed by the application as the developer, and Mr. Hamilton indicated it was presently proposed to be the primary developer.

Mr. Arnold Townsend of WAPAC came forward and indicated that WAPAC had passed a resolution in support of the UDAG application, although there were some points which were still open to question. It would appear that WAPAC cannot be the developer for the Fillmore Center because of a conflict of interest since it appears WAPAC is precluded as a developer because it is

MATTERS NOT APPEARING ON AGENDA (continued)

the Project Area Committee but he believed it could be a co-developer. In his opinion the proper entity would have been the Fillmore Community Development Corporation (FCDC) to function as the developer but it is not now in existence. He believed that it is difficult to understand where the WAPAC board and staff, the Agency, and the Commission stand in terms of their commitment to the Fillmore Center. Mr. Townsend believed that Mr. Lewis Arnold, Jr., Business Development Consultant, is looking at one kind of concept for the Center and WAPAC was not in agreement with his approach. It was also his belief that the UDAG proposal was not a serious one because it proposes no anchor tenant and the project cannot proceed without such a tenant. He also reiterated his belief that there was no development corporation created to receive the \$2 million general commitment from the EDA so this money will be lost. He believed that the first step would be to establish the Fillmore Center Development Corporation so WAPAC can become the co-developer and if this cannot be achieved for this application period then it would go for the next submittal to UDAG but there is always the chance that less money will be available later.

Mr. Glickman expressed concern that there would probably be more competitors for these funds and less funding would be available. Mr. Townsend indicated that the parking situation was an example of poor land planning and that a parking structure was needed although it would be expensive. Mr. Hamilton indicated this was the reason an urban design consultant was needed to study the economic components dealing with parking. Mr. Townsend asked if Oceanic Properties would be a developer, and Mr. Hamilton responded negatively.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Lee that the Commissioners authorize the Executive Director to submit an application for an Urban Development Action Grant (UDAG) funds to be utilized in the Fillmore Center, Western Addition Area A-2, subject to the Agency's ability to retain flexibility in determining the land use plan, and on roll call the following voted "Aye":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee

and the following voted "Nay":

None

and the following abstained:

None

The Acting President declared that the motion carried.

Mr. Woods inquired what role WAPAC would play, and Mr. Glickman responded that at this time the Agency was not committed to any developer. Mrs. Rogers asked about control of land and expressed concern that the concept

MATTERS NOT APPEARING ON AGENDA (continued)

of residents owning their own land be included in any proposals, and Acting President Blomquist indicated WAPAC would be informed of the names of potential developers.

At this time, Mr. Glickman left the meeting at 7:25 p.m. and the quorum was lost.

Mrs. Rogers indicated that Supervisor Ella Hutch was to set up a meeting so the community could learn of the development plans and discuss establishment of the Fillmore Community Development Corporation. Mr. Hamilton indicated that he had spoken with Supervisor Hutch and a tentative meeting was set for March 31, 1978 but was yet to be confirmed and WAPAC would be invited.

At this point Acting President Blomquist, Ms. Berk and Mr. Lee left the meeting at 7:25 p.m.

Respectfully submitted

Helen L. Sause
Secretary

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2/78

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF MARCH, 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at San Francisco City Hall, Room 282, in the City of San Francisco, California at 4:30 o'clock p.m. on the 23rd day of March, 1978, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Joan-Marie Shelley, Acting President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

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and the following were absent:

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Howard M. Wexler, President
Dr. Hannibal A. Williams

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Commissioners Rosenblatt, Nakashima, Dearman, Bierman, Carey, Starbuck and Secretary Woods, of the San Francisco Planning Commission; and Dr. Selina Bendix, Environmental Review Officer, City Planning Department.

Acting President Shelley requested the Secretary to state the purpose of the special meeting. Agency Secretary, Helen Sause, indicated that this special meeting is a continuation of the special meeting of the San Francisco Redevelopment Agency convened the 14th of March and continued to March 15th; and after the proceedings on those dates, continued to today's date for the purpose of participating in a joint public hearing with the Planning Commission of the City and County of San Francisco to consider the certification of the Final Environmental Impact Report for Yerba Buena Center.

Acting President Shelley indicated that in accordance with the procedures announced on March 14, 1978, the Chair for this continued joint certification meeting on the Environmental Impact Report for Yerba Buena Center shall alternate for each day's session between the President or the Vice President of the City Planning Commission and the President or the Vice President of the San Francisco Redevelopment Agency.

Inasmuch as Mr. Howard Wexler, President of the San Francisco Redevelopment Agency, chaired the last session of the joint certification meeting on March 15, 1978, the chair for this day's session should be Mr. Toby Rosenblatt, the President of the City Planning Commission.

Mr. Toby Rosenblatt, President of the City Planning Commission, indicated that the purpose of the joint certification meeting of the Redevelopment Agency and the City

Planning Commission is to consider and evaluate the Final EIR for Yerba Buena Center.

It should be emphasized that the purpose of this joint certification meeting is to ascertain whether the Environmental Impact Report is an adequate document as required by federal laws and ordinances. It is not the purpose of this meeting to examine the merits of Yerba Buena Center unrelated to environmental considerations.

He noted that public testimony was completed at the February 9 public hearing. However, in accordance with procedures announced by the Chair at the March 15 session of this joint certification meeting, the public notice of this continued public meeting, the Commissioners in their deliberations on the Final EIR made direct questions and comments relating to specific areas of concern in the Final EIR to staff, consultants, or members of the public present here today. Therefore, the Commissioners will be directing questions to staff with respect to procedures.

Dr. Selina Bendix, Environmental Review Officer, noted that certain concerns over economic issues had been expressed by the Commissioners and the public. In response to these concerns, the staffs of the San Francisco Redevelopment Agency and the Office of Environmental Review recommended that no action be taken to certify the Final EIR at this meeting. She stressed her belief that the Commissioners could properly act to certify the Final EIR as complete. However, staff believed that the environmental review process is designed to provide public input into informed decision making, and it is therefore recommended that a joint public hearing be scheduled for April 11, 1978 to allow additional public input on the revised and expanded Appendix D-4 and the addendum entitled, "Errata and Clarifications." She stressed that this would not constitute reopening of the earlier public hearing but only provide a forum for additional public comment on the materials added to the EIR following the close of the February 9 joint public hearing.

Mr. Conrad, Chief of Planning, concurred in Dr. Bendix's comments and indicated that April 11 had been selected as the first convenient meeting date 30 days after Appendix D-4 had been made available to the public. He indicated that statements, comments, or questions on that material should be submitted in writing before the April 11 meeting to the Department of City Planning at 100 Larkin Street. At the conclusion of public input at the April 11 meeting, the staffs would prepare written comments on the significant points raised. These written comments would be delivered to the Commissioners for their review and consideration.

MOTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that the special meeting of March 23 be continued under the ground rules agreed upon at the March 15, 1978 joint public meeting to permit Commissioners to direct questions and comments relating to specific areas of concern in the proposed EIR's to staff consultants and members of the public; that no certification action be taken at this meeting; that the joint certification meeting and each body's special meeting be continued to 4:00 p.m. on Tuesday, April 11, 1978, at 939 Ellis Street, San Francisco, California; that a joint public hearing be noticed to take place at the continued certification meeting on April 11, at which time public testimony will be taken on the materials in Appendix D-4 and the "Errata and Clarifications;" that this hearing is not a reopening of the February 9, 1978 public hearing on the draft EIR; that written statements may also be submitted on Appendix D-4 and the "Errata and Clarifications" until the time of the meeting on April 11, and that staff will respond to significant comments made at the hearing on April 11 and any written comments submitted prior to that meeting.


The Planning Commission unanimously passed an identical motion. President Rosenblatt inquired if there was additional discussion or comment on the EIR.

Ms. Bierman requested that staff provide information on the mitigating proposals concerning air pollutants and the proposed completion of freeway links. Dr. Bendix indicated that the reference in the EIR which addressed this issue had been the subject of a meeting between the Director of City Planning, HUD representatives and her. At that time it was indicated that HUD could include any recommendations in the EIS that they chose; however, they agreed to indicate that any proposal to build additional freeway within the City was not in conformity with existing City policy. Dr. Bendix indicated that the main text of the EIR contained the HUD comment about a requirement for mitigation measures for air pollution and housing and this was in the "Errata and Clarifications" on page 186. She noted that there was also an amendment to page 476 which indicated the opposition of the City to connecting Highways I-280 and I-80 because a complete environmental assessment of alternative proposals had not been performed. Mr. Starbuck indicated that the Commission would be willing to endorse that statement. Dr. Bendix indicated that it would be the proper subject for a resolution which the Planning Commission could consider prior to the April 11 meeting.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the joint meeting of the Planning Commission and the Redevelopment Agency be continued until April 11, 1978 at 4:00 p.m. The meeting adjourned at 5:10 p.m.

Respectfully submitted,


Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF MARCH 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of March 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Acting President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

and the following was absent:

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Dr. Hannibal A. Williams

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Wade Woods, and Richard Harper, Western Addition Project Area Committee (WAPAC); Vergie Sykes, Ella Burkhill and Carteze Elmore, New Liberation Presbyterian Church; Dr. Carlton Goodlett, developer; Byron Nishkian and Harold Moose, developers; Lavolia Baker and Essie Collins, Victorian Square Association; Wayne Osaki, architect; and Charles Walker and Leola King, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Jerry Adams, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

SPECIAL APPEARANCES

- (a) Report on the status and progress of Messrs. Byron Nishkian and Harold Moose concerning their continuing interest in the N/W corner of Fourth and Howard Streets, Yerba Buena Center.

Mr. Byron Nishkian came forward and indicated that he wished to give a brief report on the development of a parcel in Yerba Buena Center on which he and Mr. Harold Moose had been working

SPECIAL APPEARANCES (continued)

for the past two and one-half years. He recalled that about one year ago the Commissioners had terminated the disposition agreement for the parcel located at the N/W corner of Fourth and Howard Streets but had encouraged them to continue to work on the project and present a progress report at this time. During this period the need for the project was to be determined. Mr. Nishkian noted that the building which he and Mr. Moose were proposing was a facility to house the Continuing Education Center for the University of California Medical School. Mr. Nishkian indicated the size of the building on an illustrative drawing, noting that it appeared to be too large, but the increased enrollment at the University indicated the demand for such a space. There are more than 40,000 students per year attending the University's medical facilities at the main location on Parnassus Avenue and these have had to be given over to the actual medical school so that there is no capacity to house the continuing education programs. He also indicated that since there will be no further extension of building on that site, the Continuing Education Center will have to be housed on another location. Mr. Nishkian expressed his belief that the University is impressed with the downtown site because the majority of the students are now already doctors, or in related professions and wish to be in a downtown location and Yerba Buena Center is close to all amenities which they need. The University is apparently anxious to have this facility to accommodate students who under increasingly strict State law must continue their education while in private practice. Several studies have been made on what areas would be needed for this purpose, and a study of economic feasibility is currently being done by Ernst and Ernst. Mr. Nishkian indicated that when this report was complete he would be in a position to proceed on seeking other tenants for the building. These additional tenants would be sought from those dealing with related medical interests, including textbook publishers, hospital suppliers, and others. He noted that the building is presently designed for 450,000 square feet and 200,000 square feet is intended for University use. However, this is the maximum size building for the parcel and it may ultimately be a smaller building. However, last week, the University reaffirmed its need for more than the 200,000 square feet. Mr. Nishkian indicated that it is also planned to have two auditoriums on the ground floor of the building. Mr. Nishkian requested permission to continue negotiations with the University and to return at the end of June to give the Commissioners an updated status report.

Ms. Blomquist inquired how many stories the building was, and Mr. Nishkian replied it would be 24 stories with a maximum height of 340 feet. President Wexler inquired if the University would render its decision in June as to whether it would build,

SPECIAL APPEARANCES (continued)

and Mr. Nishkian responded that by that time Ernst and Ernst's report would be ready, but that he did not believe the University would decide before the end of the year.

Mr. Lee inquired if the Ernst and Ernst study concerned construction costs and Mr. Nishkian replied that the study is primarily to determine whether the resources of the Continuing Education Center can support the space it needs. Mr. Nishkian indicated the location of the parcel at Fourth and Howard Streets to Holland Court to Minna Street and noted that he owned a piece of property which would be included in the parcel and he would be participating as a property owner in the project.

President Wexler indicated his understanding that the partnership no longer has developmental rights from the Agency and that last year the Commissioners had decided to defer offering this right for one year to allow the partnership more time to pursue the possibilities for developing this site with the University. Mr. Nishkian confirmed this statement.

Mr. Glickman inquired what the result would be of building less than the 450,000 square-foot building presently contemplated, and Mr. Nishkian responded that the University was still gathering information, but preliminary reports indicated that it may need more than the 200,000 square feet to start with. It is also possible that a major tenant, such as a life insurance company interested in public health, may be interested in the space. Mr. Nishkian indicated he would be able to make this determination soon. Mr. Glickman asked, if there was less demand for space, how much it would change the height or floor area. Mr. Nishkian replied that with a base tenant of 200,000 square feet, the building could occupy up to 350,000 and that the height of the building and floor areas could be made larger or smaller. Mr. Hamilton encouraged the developers to continue with their plans and report their progress on June 30, 1978.

- (b) Presentation of status report by Dr. Carlton Goodlett on Parcel 707-B, Western Addition Approved Redevelopment Project Area A-2.

Dr. Carlton Goodlett came forward and indicated that he welcomed the opportunity to speak before the Commissioners. He noted that for the past two years he has been attempting to develop townhouses on Parcel 707-B on a private basis without utilizing governmental subsidies, but there have been some difficulties encountered which he believed resulted from discriminatory "redlining" of his development. He indicated that he had had extensive experience in developing properties and had found that for these apartments private institutions were unwilling to provide financing. He indicated that in applying for private

SPECIAL APPEARANCES (continued)

loans from banks and savings and loan associations when these lending institutions learn he is a private individual they discourage his efforts by informing him that they are only making loans to those individuals in the Western Addition A-2 who are rehabilitating Victorians. He believed that they tended to discourage those who are not professional developers, such as himself, and he has been unable to obtain a proper appraisal of the townhouses. His plans call for 1,700 square-foot townhouses to sell for \$69,000 to \$82,500 and he believed if these were in another area of town they would sell for \$105,000 to \$115,000. The final appraisals were so low they could not be considered, and since the banks lend 80 percent of the appraised valuation, he was unable to obtain a sufficient loan to finance the development. He indicated he had gone to the bank and was informed that if he deposited \$186,000 to cover construction costs then they would finance the housing. The Federal National Mortgage Association (FNMA) indicated it would lend on 75 percent of appraised valuation, but he had no valid appraisal amount. Dr. Goodlett cited several other sources to which he had applied for loans and the fact that costs had already escalated 20 percent since he had started, so that instead of \$150,000 he would have to come up with \$180,000 to be placed in escrow. He alleged that these institutions do not say they will not make a loan but would deal with people who buy the homes, and this technique would not make the development feasible. He indicated he had been in the area for thirty-four years, and had deposited a great deal of money with these banking institutions, who were now treating him unfairly. He indicated that he had \$50,000 involved in the project and wanted to build the thirteen townhouses, but was being given excuses by lenders that effectively stopped him. He also planned to build a 26-unit medical building at Sutter, Fillmore and Steiner Streets with fourteen medical suites and parking for 129 automobiles. He indicated that he already had six potential buyers for his townhouses before construction. He believed that the lending institutions should make a loan to him on equitable terms and reiterated his participation in the Fillmore district for several decades. He alleged that the redevelopment of Western Addition Area A-1 was planned black removal and that of WA-2 was also. He believed the Agency had some responsibility to see that black entrepreneurs were equitably financed.

Mr. Hamilton asked Dr. Goodlett what he planned to do about the development, assuming circumstances would not change, and he replied that he would go to court and call upon the State regulations dealing with lending institutions under government license to force these lenders to cease discrimination and he would name the Agency as part of the suit.

SPECIAL APPEARANCES (continued)

President Wexler indicated that Dr. Goodlett was afforded developer rights and under that agreement he was to have submitted evidence of mortgage financing by March 4, 1977, but it is now more than one year since that time. He indicated Dr. Goodlett had not said or given the Commissioners any formal request today for an extension despite the fact that he was in default. Dr. Goodlett indicated he had not been invited to appear, but did so of his own free will and that he could have met the deadline, but came to inform the Commissioners of his difficulties. President Wexler asked if anyone on staff had advised Dr. Goodlett that his development rights were in default, and Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that he had been verbally advised. He noted that Dr. Goodlett at the time he was to show evidence of financing had received one letter of commitment, which was inadequate and he was advised twice by the Agency to move forward on his financing. President Wexler inquired if he was advised that he could request an extension of time and Mr. Suttle indicated he had not been sent a notice of default, but he had been advised that at some point he would have to move forward. Mr. Hamilton indicated that because there were indications that some action would be taken on his pending applications, the Agency had deferred asking him to come forward for an extension. It would be correct to say he was not told specifically he could come forward and request an extension.

Mr. Glickman asked if it was the Agency's normal procedure that when a developer does not meet his schedule he is notified that he should submit a request for extension and did this responsibility fall upon staff or the developer. Mr. Hamilton answered that developers have a schedule to meet specified in their agreements and staff may also advise the developer that his time has expired, but this depended upon circumstances. Other developers have been in the same position as Dr. Goodlett but if the Agency believed maximum effort was being expended to secure financing, staff would consider this mitigating circumstance, and recommend extension. Mr. Hamilton noted that the Commissioners had been notified of the default on this parcel as part of the developer's status list sent to them. President Wexler suggested that Dr. Goodlett submit a request for extension and he responded that this would be no problem.

President Wexler indicated that as a matter of procedure, if a developer's time is about to expire he should make a request for an extension. He also noted that a list of developers who are in default should be maintained, so that the Agency has some way of knowing when a default notice has been issued and he believed the Agency and developer should know their respective obligations and directed staff to so proceed on this policy.

SPECIAL APPEARANCES (continued)

Mr. Glickman indicated that it appeared a procedure was being considered whereby the onus would fall on the Agency to notify any developer when he is in default—regardless of how close he is to consummating the transaction, and he inquired how long before the date of default such a notice should be sent, and President Wexler responded that he would leave this for staff to determine. He thought the notices should go out prior to the time of default warning the developer that his development rights were about to be in default. Mr. Lee concurred and indicated his belief that there should be a policy on this matter. President Wexler indicated that subject to objections of the other Commissioners, these procedures would be followed by staff. There being no objections, it was so ordered.

Mr. Glickman inquired of Dr. Goodlett if he planned to proceed with his development, and he responded affirmatively. He stressed his belief that the Agency had a responsibility because of its work in the community to aid him in obtaining financing and noted he was not unfamiliar with the redevelopment process since he had already built in West Oakland with no problems but that San Francisco was full of difficulties. He stressed that it was he who had volunteered to inform the Commissioners and that he was not asked to appear. Mr. Lee indicated his understanding that Dr. Goodlett had implied that the Agency had not been helpful in obtaining financing and indicated that there was a law against redlining. If Dr. Goodlett could substantiate this, Mr. Lee believed the Commissioners would go on record to back him up, and Dr. Goodlett expressed his belief that the record of his efforts to secure funding spoke for itself.

President Wexler inquired if there had been any complaints or evidence from other Western Addition A-2 developers that they had encountered redlining, and Mr. Hamilton responded negatively noting, however, that there had been no attempt to develop this kind of townhouse. President Wexler asked Dr. Goodlett if he had turned his information over to the staff and he responded negatively. President Wexler asked him to do so, so that the Agency General Counsel could look at it and advise the Commissioners what action they could take, and Dr. Goodlett indicated he would be pleased to do so.

Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC) came forward and indicated his belief that when Dr. Goodlett appeared to speak of discrimination in the community and redlining, the Commissioners were asking technical and procedural questions that had nothing to do with the basic issue. He alleged that the Agency was aware of problems with redlining

SPECIAL APPEARANCES (continued)

in the area and that was why the Agency's rehabilitation loan program was formed, because people could not obtain loans for rehabilitation. He believed the Commissioners were only concerned with technicalities, since the Commissioners did not ask Dr. Goodlett for the names of the lending institutions. President Wexler indicated Mr. Townsend had not been listening, and he replied he had, but the Commissioners were asking Dr. Goodlett questions which should have been asked of staff. He suggested that the Commissioners were no longer new on the Commission and it was not Dr. Goodlett's fault no one had offered him an extension.

President Wexler indicated that so there should be no misunderstanding, the questions that were asked on procedure were brought up to make certain it was not Dr. Goodlett's fault that he had not applied for an extension. He added that the Commissioners had expressed a strong interest in pursuing any activity that was illegal redlining and had also requested Dr. Goodlett to supply the Commissioners with information on what he believed constituted redlining so action could be taken. President Wexler indicated that the Commissioners could do no more than investigate facts. He suggested Dr. Goodlett submit a request for an extension of time so staff could determine what action to take, which was the correct practice.

Ms. Shelley indicated her support of the action taken and believed it was appropriate that Dr. Goodlett supply the Commissioners with the names of any organization guilty of redlining. She believed it was also appropriate to raise questions that came to the Commissioners' attention that a developer who had been technically in default had never been notified. She indicated her belief that this was a public forum and the Commissioners would continue to ask the questions they needed to obtain information on which decisions could be made in conducting the public's business.

REPORT OF THE PRESIDENT

- (a) President Wexler indicated that Dr. Williams was now in the University of California Medical Center and would be operated on tomorrow. He wished him a speedy recovery.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) President Carter released his National Urban Strategy plan and the Agency is seeking copies from the National Association of

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Housing and Redevelopment Officials (NAHRO). The Commissioners will be provided with the report and an analysis of its probable impact on the City and the Agency.

UNFINISHED BUSINESS

- (a) Resolution No. 59-78 approving Change Order No. 24-2 to Personal Services Contract No. 24, Hunters Point Approved Redevelopment Project Area.

Mr. Hamilton indicated that this item was held over from the March 21, 1978, meeting to determine further clarification of disbursements allowed for the Genge contract by approval of Change Order No. HE-24-2 permitting disbursements up to \$3,193,000, which includes an amount of \$389,000 for reimbursable architectural fees. The contract will ultimately not exceed \$2,803,000, which is the total amount authorized by the Commissioners. Ms. Blomquist wished to know who the officers of the firm were, and Mr. Frank Cannizzaro, Project Engineer, indicated he would obtain these for her.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

NEW BUSINESS

- (a) Resolution No. 69-78 approving the first amendatory agreement to the disposition agreement with William Sanchez, Susan Anne Sanchez, Dennis F. Sanchez, and Susan D. Sanchez; authorizing the Executive Director to execute necessary documents, India Basin Industrial Park Approved Redevelopment Project Area, Parcel A-4.

This represents an amendment of the disposition agreement with William Sanchez, et al, to (1) extend the time for submittal of mortgage financing to June 30, 1978, necessitated because soils conditions had delayed the submittal of the loan application to the Small Business Administration, which has not been filed; and (2) incorporate the Agency's most recent discrimination language. The preliminary and final building plans have been completed and the developer believes June 30, 1978 is sufficient time in which to receive SBA funding. President Wexler asked if the only reason the application was delayed was because of soils work undertaken by the Agency, and Mr. Hamilton answered affirmatively. Mr. Redmond Kernan, Deputy Executive Director, indicated there had been a problem of securing financing, but that this also was in some part due to difficulties with the soils preparation.

NEW BUSINESS (continued)

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 68-78 approving an extension request under terms of a disposition agreement, dated May 2, 1977, Parcel 667-G, Western Addition Approved Redevelopment Project Area A-2.

This item concerns a recommended extension of time to submit evidence of financing to July 1, 1978, for Mr. and Mrs. Wesley Whitehead who plan to develop a sixteen-unit residential parcel in Western Addition A-2. Construction bids have far exceeded cost estimates and the Whiteheads are reviewing ways to cut costs and also considering applying for funding from the Federal Housing Administration (FHA). The parcel is located at the northwest corner of Sutter and Webster and the sales price is \$28,000.

President Wexler asked if Mr. Whitehead were present, and Mr. Wayne Osaki responded that he was Mr. Whitehead's architect and would represent him. Mr. Lee inquired about the increase in construction cost from the original estimate of \$400,000, which was later raised to \$600,000. Mr. Osaki responded that the figure was based on eleven units and now there are sixteen and the increase in units would permit a more realistic range of rents. Either the rents will be raised or an FHA loan will be applied for, since this is the only way the rents can be kept down. President Wexler inquired what the projected rents would be for one- and three-bedroom units and how much these would be raised. Mr. Osaki replied that he had not figured on that basis, but the rents were out of line for the present market in the area. President Wexler indicated the Commissioners were told before that the rents would be \$285 for a one-bedroom unit to \$435 for a three-bedroom unit and Mr. Osaki responded that now he believed the one-bedroom was from \$340 to \$350. President Wexler indicated that the original rent structure was \$435 for a three-bedroom unit. Mr. Osaki indicated that if the rents could not be raised then the costs would have to be reduced.

President Wexler indicated that Mr. Whitehead was awarded the developer designation based upon unanimous support as a community resident developer and also by WAPAC partly because of his proposal and the rent structure that he intended to establish. In the interim there appeared to have been a change in the number of units and the definition of the rent schedule and he wondered whether staff would now or in the future plan on reconsidering awards that have been made to developers when the basis of that award had substantially changed.

NEW BUSINESS (continued)

He acknowledged that the change could well be beyond the control of the developer, but suggested such changes might be significant enough to permit other developers to come back in. Mr. Hamilton replied that this had not been attempted before and this development had many factors involved. One compelling factor was that the Agency wished to assist a minority person from the area interested in reconstruction of that community using market-rate housing. He indicated that the changes in the rent structure would be scrutinized, but recommended at the present time that the commitment be continued. President Wexler indicated his concurrence, noting that he would like to see a minority developer in the area, but noted that several of the others competing for the parcel originally were also minorities. He believed there was a significant demand for property in the area and there were many developers. He believed that consideration should be given in the future to a procedure whereby a developer may present a package that is attractive and then request time to do a different package and that one may be less attractive than those of other developers.

Mr. Glickman asked if the purchase price of the site would be increased if sixteen rather than eleven units would be built, and Mr. Hamilton answered negatively that it would not since this was market-rate housing. Mr. Quintin McMahon, Director of Real Estate, Marketing and Business Development, replied that the price established is based upon land use criteria as shown in the Redevelopment Plan. Mr. Glickman indicated that such change could involve elimination of family units, and Mr. Hamilton indicated that that case would affect the land prices and would have to be brought before the Commissioners for consideration.

Mr. Osaki indicated that there would not be a rent increase if he could secure a Section 8 subsidy, since this was a possibility in place of market-rate housing. Mr. McMahon indicated that the developer had not considered Section 8 subsidies, but was contemplating market-rate housing using FHA funding and if there were a change in the development concept whereby a subsidy entered the picture then it would come before the Commissioners again since the parcel was originally offered for market-rate housing on a competitive basis. President Wexler indicated that the original rent figures and these were \$275 for one-bedroom, \$375 for two-bedrooms, and \$475 for three bedrooms at the time the award was made.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (c) Resolution No. 70-78 granting to Leola King and Toney Taylor King an exclusive right to negotiate for the purchase, subsequent to rehabilitation by the Agency, of 1730 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.

This item concerns granting of exclusive negotiating rights for 1730 Fillmore Street, which is one of eleven buildings in the Victorian Square development, to Mrs. Leola King and her son, Tony Taylor King. The previously designated developer withdrew and the Kings are local business people next on the list of those indicating an interest in participating in the development. Ms. Blomquist indicated she did not understand how the waiting list was composed and Mr. Suttle responded it was comprised by those expressing interest in the development and maintained by the rehabilitation division. President Wexler asked if the list was in chronological order of expression of interest and Mr. William McClure, Chief of Rehabilitation, responded affirmatively. The criteria for selection included consideration that those listed must be business people from that area awaiting relocation, or those who held preference certificates and also the type of business was evaluated for compatibility. Mr. Suttle indicated that there was only one on the list who was not a relocatee who had expressed an interest in the Victorian Square complex. President Wexler inquired if the objectives of award of buildings on a chronological basis while considering a selection criteria based on other factors was not in conflict. Mr. Suttle indicated that to a certain extent this was true, but the matter was decided by the staff and WAPAC with a major emphasis being placed on the proposed use of the space, since it would be inappropriate, for example, to permit two drugstores in the Victorian Square in competition with one another. Mr. Suttle indicated that those on the list who were crossed off had declined the opportunity to move into the Victorian Square area because they either did not wish to buy at this time or else had purchased other buildings.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 72-78 granting to Lynn Slater an exclusive right to negotiate for the purchase of 1971-75 Sutter Street, Western Addition Approved Redevelopment Project Area A-2.

This concerns the granting of exclusive negotiating rights for 1971-75 Sutter Street, one of eleven buildings in Victorian Square, to Ms. Lynn Slater who plans to relocate her design company, Environmental Design International, to this building.

NEW BUSINESS (continued)

She is on the priority list of area-based business persons and she will purchase the structure for \$112,000 and may use the Agency's Rehabilitation Loan Program to rehabilitate the building. Ms. Blomquist noted that there was another similar listing for that firm on the priority list and asked if it would be removed, and Mr. Suttle answered affirmatively, indicating both parties with the same address worked together. President Wexler asked if there was not another certificate holder, and Mr. Suttle indicated there was, but he was an insurance broker and there was this type of business in the Victorian Square already. Mr. Hamilton inquired if as a general approach the three remaining buildings could be disposed of under the same system, and President Wexler indicated, subject to objection of the Commissioners, that this was appropriate. There being no objection it was so ordered.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 75-78 authorizing the Executive Director to execute an amendatory agreement in connection with Parcel 1128-B, Western Addition Approved Redevelopment Project Area A-2.

This item represents an extension of the date for submission of evidence of financing to a parcel adjacent to the New Liberation United Presbyterian Church which the church intends to develop as a child care center. The Church has reaffirmed its intention to proceed with the facility and proposed that the dates designated for financing due by January 1, 1979, for close of escrow February 1, 1979, and for start of construction March 1, 1979. President Wexler inquired if anyone wished to speak and Mrs. Virgie Sykes came forward and indicated that she had not been advised any information would be necessary at this time and that the pastor, Dr. Hannibal A. Williams, was in the process of raising funds for the building. Mr. Hamilton indicated Dr. Williams would submit his program as soon as he was able to, and President Wexler indicated he had spoken to him and understood that the facility would also be used for the elderly and that he would pursue the fund raising program. President Wexler noted the presence of Mrs. Williams and requested that she convey the Commissioners' good wishes to Dr. Williams.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (f) Authorizing the Executive Director to execute an addendum to the agreement contemplating a negotiated disposition of land for private redevelopment with the Nihonmachi Community Development Corporation; and approving subsequent conveyance of Parcel 686-J(1), to H.I.S. a partnership composed of member shareholders of the Nihonmachi Community Development Corporation, Western Addition Approved Redevelopment Project Area A-2.

This item represents transfer of Parcel 686-j(1) consisting of 2,232 square feet located on the Nihonmachi Pedestrian Mall between Post and Sutter Streets for \$10,604 under the Nihonmachi Community Development Corporation agreement for subsequent transfer to H.I.S. a partnership composed of the Handa family and Osamu Seiki for construction of a two-story woodframe commercial structure with rental space. Mr. Hamilton indicated this was subject to approval by the Department of Housing and Urban Development(HUD).

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 73-78 authorizing and granting a variance from the Physical Standards and Requirements of the Redevelopment Plan for the Diamond Heights Approved Redevelopment Project Area, Block 7539, Lot 50.

This concerns a variance proposed from setback requirements of the Redevelopment Plan for Diamond Heights to permit subdivision of a parcel into two lots, one of which would be 3.5 square feet below the Plan requirement of an overall square footage of 3,500. The proposed action has been approved by the Diamond Heights Neighborhood Association and by adjacent property owners. The City Code requires only 2,500 square feet minimum for the lot. Ms. Blomquist inquired if there were letters from adjacent property owners and asked if in the future these could be sent to the Commissioners. Mr. Ed Ong, Chief of Architecture, responded that there were such letters on this proposal and in the future these would be forwarded to the Commissioners.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 65-78 authorizing the Executive Director to execute five-year installment purchase and maintenance agreements for certain Xerox equipment.
- (i) Resolution No. 66-78 authorizing the Executive Director to lease a Xerox 9400 duplicating system.

NEW BUSINESS (continued)

Mr. Hamilton requested and received permission to consider both these items together. The first deals with a proposal to sign a five-year lease purchase agreement with Xerox for five pieces of equipment, from which a monthly savings of \$1,453 would result. The second deals with a lease with Xerox adjunct to the Agency's printing capacity at a trial period of 90 days for \$2,092 monthly. The net cost would be \$639. Ms. Blomquist expressed her belief that the Agency produced too much paper work because now there were eight Xerox machines. Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, indicated that the proposed machine was necessary for daily use in the Agency's reproduction needs that the print shop performed a different function in producing material for communications with the general public and certain interoffice forms and stationary. Ms. Blomquist asked if any thought had been given to a consultant's contract to analyze the actual printing needs of the Agency. Mrs. Hale replied that proposals had been sought for performance of a procedural audit and that this could be part of that audit. The Agency had many printing needs imposed by external requirements over which it had no control. Ms. Berk asked what effect a procedural audit would produce if the recommendation was for a cut-back, and Mrs. Hale responded that the Commissioners would consider the action to take on the proposal. She noted that if there was a budget cut-back, the equipment could be returned to the Xerox company. President Wexler asked if this action had to be taken by the Board of Supervisors, or if the Agency Commissioners had the discretion to effect such a cut-back, and Mrs. Hale responded that the Commissioners could act. President Wexler requested that staff obtain a letter from the Xerox company clarifying this point. Ms. Blomquist inquired if WAPAC's Xerox was included in its budget and Mrs. Hale indicated the Agency kept control of the capital equipment but WAPAC bought its own supplies and the machine was physically located in its office.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that Resolution No. 65-78 be adopted.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that Resolution No. 66-78 be adopted.

- (j) Resolution No. 67-78 authorizing amendment to the contract for legal services for bond counsel in connection with the financing of residential rehabilitation under the Marks-Foran Act of 1973 and residential construction under Senate Bill 99, Chapter 48, Statutes of 1975, Hunters Point, Western Addition Area A-2, and Yerba Buena Center Approved Redevelopment Project Areas.

NEW BUSINESS (continued)

This concerns an amendment to the contract for legal services with Wilson, Jones, Morton and Lynch to continue services needed for the administration of the Marks-Foran Rehabilitation Program and SB 99 for an increase of \$25,000. The original contract amount has almost been fully expended, and there is a continuing need for these legal services for the rehabilitation loan program to complete market-rate housing in Hunters Point. Ms. Blomquist asked what the original amount was and the Agency General Counsel Leo E. Borregard responded it was also \$25,000. He requested that the item be held over for one week as he had some concerns which he believed should be resolved.

President Wexler indicated that the meeting would recess for five minutes at 6:10 p.m. The meeting reconvened at 6:15 p.m.

Mr. Borregard indicated that funds had been expended, but no further work was being done so there would be no further expenditures this week. He asked that the matter be held over for one week.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 6:15 p.m.

Respectfully submitted,



Helen L. Sause
Secretary





